JAPFA

STANDING STRONG ON OUR COMMITMENT: FEEDING EMERGING ASIA

ANNUAL REPORT 2023

WE ARE A LEADING INDUSTRIALISED AGRI-FOOD COMPANY DEDICATED TO FEEDING EMERGING ASIA WITH ESSENTIAL PROTEINS.

OUR MISSION

To be the leading dependable provider of affordable protein foods in Emerging Asia by building on the foundation of our excellent teamwork and proven experience for the benefit of all stakeholders.

OUR VALUES

Central to our Corporate Culture & Responsibility is the nurturing of sustainable, growth-orientated relationships based on trust and integrity. *Growing Towards Mutual Prosperity* is the vision which we practise and uphold with Japfa's various stakeholder groups.

STANDING STRONG ON OUR COMMITMENT: FEEDING EMERGING ASIA

In today's world, inflationary pressures, geopolitical tensions and extreme climate events have further exacerbated the challenge of food security, particularly across Emerging Asia.

As we see the situation first-hand in our key markets of Indonesia, Vietnam, Myanmar, India and Bangladesh, our purpose of *Feeding Emerging Asia* has never been more important. We remain resolute in our commitment to provide nutritious and affordable protein foods to millions on the strength of our efficient, industrialised business model.

At the heart of our efforts are Japfa people, a team of more than 37,000 employees all driven by a clear sense of purpose and strong values, regardless of the market and segment they operate in. This Annual Report is a testimony to their steadfast dedication.

Looking ahead, population and economic growth will continue to drive demand for proteins and exert pressure on the food systems. We are energised by the challenges that lie ahead and the opportunity to create value, driving Japfa into the future.

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CORPORATE PROFILE

Industrialised
Business Model

Over
50
Years
of History

More than
37,000
People

Diversified
across Proteins
and Countries

JAPFA LTD[1] IS A LEADING, PAN-ASIAN, INDUSTRIALISED AGRI-FOOD COMPANY DEDICATED TO FEEDING EMERGING ASIA WITH ESSENTIAL PROTEINS.

Headquartered in Singapore, we employ more than 37,000 people across an integrated network of modern farming, processing and distribution facilities in Indonesia, Vietnam, India, Myanmar and Bangladesh. We specialise in producing protein staples (poultry, swine, aquaculture) and packaged foods that nourish millions of people.

Over more than fifty years, we have grown to become leaders in multiple protein foods by embracing an integrated industrialised approach to farming and food production across the entire value chain. Our large-scale standardised operations allow us to consistently produce high-quality proteins and to replicate our business model across different markets and protein types.

Our business is vertically integrated from animal feed production and breeding to commercial farming and food processing. This creates tremendous opportunities for us to capture value at different points along the agri-food chain while providing our customers with greater food security and traceability.

We use superior breeds and adopt a sophisticated approach to animal husbandry, animal health, nutrition and welfare – all of which reinforce the quality of our products and achieve high production yields. We place a strong focus on biosecurity with stringent operating procedures and forge strategic alliances with global leaders in breeding research as necessary.

Today, we are the second largest poultry company in Indonesia[2] and have replicated our integrated industrialised business model for poultry operations in Vietnam, Myanmar, India and Bangladesh. We grew our new protein swine into a robust industrialised value chain, with a breeding pyramid starting from the Great-Grand Parent (pure breeding) level. We leverage the high quality of our raw materials to produce premium and mass-market consumer branded food products under leading brands such as *So Good* in Indonesia and *Japfa Best* in Vietnam and India.

Given the growing affluence of our target middle- and lower-income consumer groups, we expect protein food consumption to rise. As one of the most competitive and efficient producers, we are focused on tapping growing animal protein consumption in the emerging economies where we operate, which together account for more than 20% of the world's total population.

We plan to forge ahead with our strategy to expand across multiple protein segments in these high growth emerging Asian markets by replicating our integrated industrialised business model. Our purpose is to find new efficient ways to feed Emerging Asia in a sustainable way.

1 "Japfa", the "Company", or together with its subsidiaries, the "Group".
2 By poultry feed and DOC production (Frost & Sullivan, 2021).

GROUP HEAD OFFICE

SINGAPORE

ANIMAL PROTEIN PT JAPFA TBK[3]

INDONESIA

- Poultry feed manufacturing, breeding, commercial farming, slaughterhouses
- Aquaculture feed manufacturing, hatcheries, cold storage, processing
- Beef cattle breeding, fattening and processing
- Ambient, chilled and frozen food production and distribution

ANIMAL PROTEIN OTHER[4]

VIETNAM

- Poultry feed manufacturing, breeding, commercial farming, slaughterhouses
- Swine feed manufacturing, breeding, commercial farming

INDIA

- Poultry feed manufacturing, breeding, commercial farming

BANGLADESH

- Poultry feed manufacturing

MYANMAR

- Poultry feed manufacturing, breeding, commercial farming

LEGEND

- Poultry
- Swine
- Aquaculture
- Beef

[3] 55.4% owned by Japfa Ltd, 44.6% public (as at 31 December 2023).
[4] 100% owned by Japfa Ltd (as at 31 December 2023).

US$**4.4** **billion**
revenue in FY2023

More than
37,000
people

LEADING
market positions in
POULTRY
production across Asia

THE IMPACT OF JAPFA

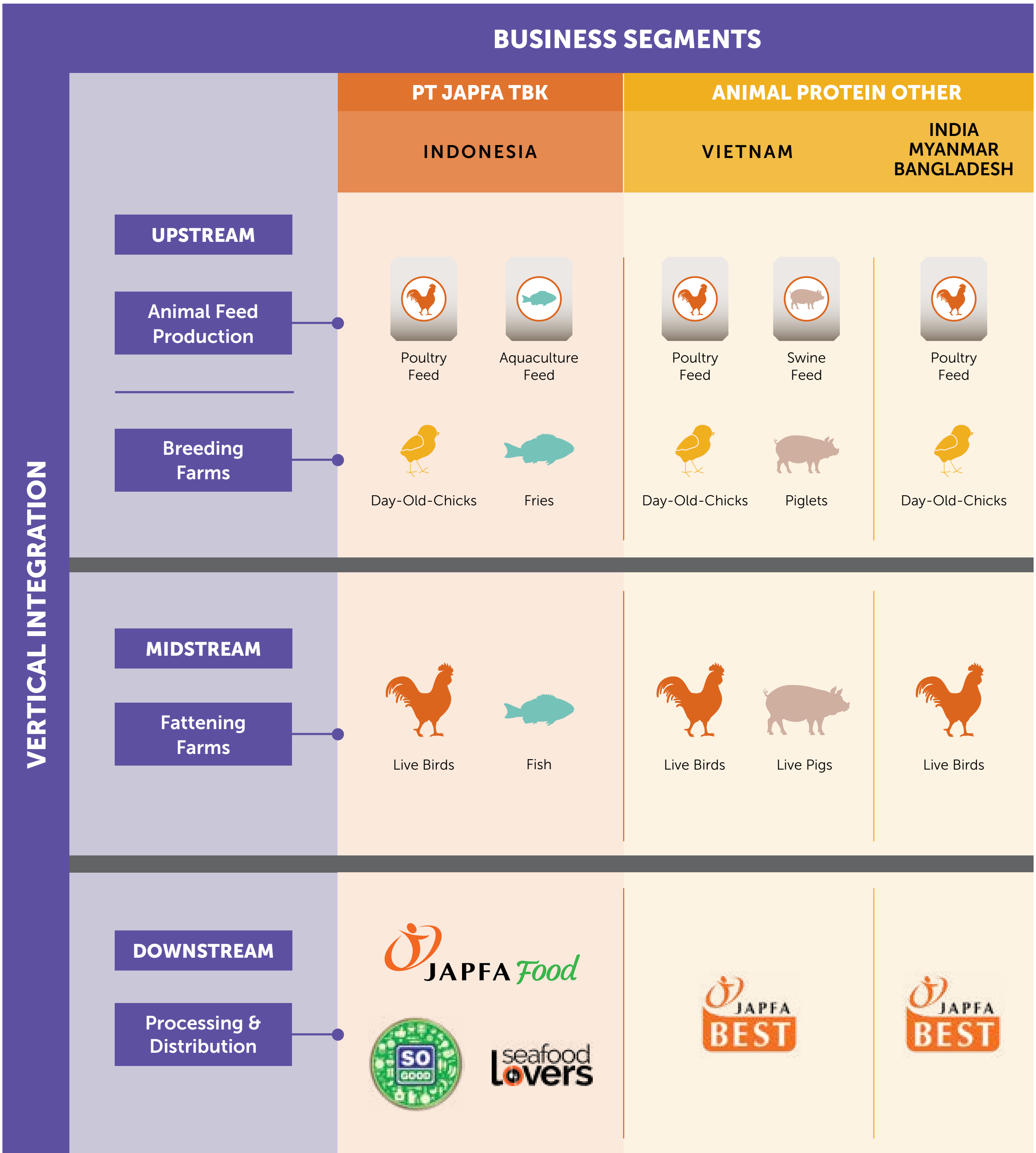
1.7 **billion**
people living
in our target markets

Almost **1** **billion**
DOC produced
in FY2023

Almost **6** **billion tons**
of animal feed produced
in FY2023

BUSINESS MODEL

VERTICALLY INTEGRATED BUSINESS ACROSS THE ENTIRE VALUE CHAIN



The products shown above represent the main products in each operation for illustrative purposes only.

FARMING TO FEED GENERATIONS

For over more than half a century, we have established ourselves as a leader in producing high-quality animal proteins. We are proud that our proteins form a staple part of the diets of millions of families across Emerging Asia.

Going forward, our focus remains unwavering: to provide nutritious, affordable protein staples, ensuring we feed not just today, but also tomorrow's generations.

FOOD IS THE BASIC NECESSITY OF LIFE

Japfa through the eyes of our Employees

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I feel proud to be a direct part in producing millions of quality Day-Old-Chicks which are distributed to farmers as an affordable source of animal protein. Becoming part of Japfa was one of the best decisions I have ever made. The values adopted by the Company and the working atmosphere at Japfa are extremely supportive and help with my development. In addition, I'm able to maintain a good work-life-balance.

Abdul Hamid
Hatchery Production Supervisor, Poultry Breeding, Indonesia

The reason why I want to work in Japfa is because I can see my professional growth in this position. After learning more about our Company's vision and mission, I can clearly see how my goals align with those of the Company. There is nothing I love more than collaborating with other engaged individuals towards a common goal, and that's what excites me about working here.

Diah Sari Wahyuni Pulungan
Laboratory Analyst, Aquaculture, Indonesia

I have acquired numerous skills during my 13 years with Japfa, as the Company provided me with training that supported my role. Whatever I am today is thanks to Japfa. I am proud of being part of a company that really takes care of its employees.

Dhiraj Bhaskar Yelane
Hatchery Officer, Poultry, India

Despite being one of Southeast Asia's leading integrated poultry and food companies, Japfa may not have the same glamour of a start-up. However, it certainly has the resilience and posture that make a great company, and that's what drew me to Japfa. The Company's mission of *Feeding Emerging Asia* and its values of *Growing Towards Mutual Prosperity* resonate with me. Working here, I've been surrounded by amazing leaders and colleagues, tackling various challenges and projects. The supportive atmosphere, teamwork, encouragement of innovation, and learning culture have helped me grow both personally and professionally. The people at Japfa set it apart, with their camaraderie, sense of purpose, and work ethics filling my days with excitement and gratitude.

Albert Tjahyono
Business Intelligence Functional Architect, Corporate IT, Indonesia

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CHAIRMAN'S MESSAGE

Dear Shareholders,
It is both an honour and a responsibility to address you in my first annual letter as Chairman of Japfa, a role I assumed on the 17th of April 2023. As I stand before you, I am acutely aware of the legacy left by the late Pak Han[1], and I am mindful of the big shoes I am tasked to fill. I want to assure you that I am committed to carrying forward the vision and values he so passionately championed and ensure we build on the solid foundation that he had established for Japfa.

Since becoming Chairman, I have immersed myself in understanding the breadth and depth of our various businesses, by visiting our farms and teams across Asia. During these visits, I was impressed by the expertise, dedication and commitment of my colleagues. Even more so, I was struck by the sense of mission that all Japfa people have in common, regardless of the market and segment they operate in: we are all driven by our common purpose of *Feeding Emerging Asia* with nutritious and affordable protein foods.

REFLECTING ON 2023

2023 presented new global and regional challenges on multiple fronts and required intense efforts on Japfa's part to buffer against, and to overcome these challenges, amidst the adverse macroeconomic operating environment since 2022.

Globally, many economies grappled with sluggish growth in the aftermath of the pandemic, further exacerbated by mounting geopolitical tensions and the continued impact of high inflation and monetary tightening. Within the ASEAN region, the spillover effects from the slower economic growth of major economies prompted a downward revision of GDP growth by the Asian Development Bank[2], affecting more trade-oriented economies like Vietnam.

Japfa was not spared; profitability was affected by challenging operating conditions, as rising inflation reduced consumer purchasing power across our various markets, constraining our ability to offset increased production costs. In the light of the challenging economic conditions, we took action and made substantial progress in streamlining our operations and recalibrating our growth plans, thereby demonstrating resilience and adaptability in navigating the prevailing challenges. In Vietnam, for example, management successfully lowered the production costs for swine operations, leading to performance improvement in 2H2023.

STAYING STRONG ON OUR COMMITMENT TO FEED EMERGING ASIA

Notwithstanding the difficulties of the past year, our unwavering commitment to feed millions of people in Asia not only endures, but also has been strengthened as food security, particularly in the Asia-Pacific region, remains a significant challenge. Over 40% of the 3.1 billion people worldwide who are unable to afford a healthy diet reside in the countries where Japfa operates – Indonesia, Vietnam, Myanmar, India, and Bangladesh[3]. Even in Singapore, we experienced first-hand the importance of a secure and sustainable food system when the supply of fresh chicken was impacted by an export ban in Malaysia back in 2022.

I am proud to note that today Japfa activities remain critical to feeding people across Asia, as the Group supplies approximately 20-25% of staple animal protein foods in many countries where we operate. As far as Singapore is concerned, last year also marked an important milestone as we successfully delivered live chickens from our farms in Indonesia to Singapore. This achievement resulted from the combined efforts of Japfa, Singapore and Indonesia's authorities, and paved the way for the supply of fresh animal proteins to Singapore consumers.

1 Mr. Handojo Santosa, late Executive Chairman of Japfa Ltd.
2 Asian Development Bank, Asian Development Outlook (ADO) December 2023: Growth Upbeat, Price Pressures Easing.
3 Food and Agriculture of the United Nations. (2023). The state of food security and nutrition in the world. Food and Agriculture Organization (FAO) https://www.fao.org/documents/card/en?details=cc3017en

> I AM PROUD TO NOTE THAT TODAY JAPFA ACTIVITIES REMAIN CRITICAL TO FEEDING PEOPLE ACROSS ASIA, AS THE GROUP SUPPLIES APPROXIMATELY 20-25% OF STAPLE ANIMAL PROTEIN FOODS IN MANY COUNTRIES WHERE WE OPERATE

FOCUSED ON OUR PURPOSE, GUIDED BY OUR VALUES

Looking ahead, the macro forces of population and economic growth will continue to exert pressure on food systems worldwide. Coupled with this, the compounding effects of extreme climate events and rising geopolitical tensions underscore the urgent need for a resilient food system that enhances yields, nutritional value, and traceability, all while minimising environmental impact.

Amidst this backdrop, Japfa remains resolute in its commitment to finding efficient and sustainable ways to provide nutritious, yet affordable, staple protein foods to feed Emerging Asia. As we continue to build on our integrated industrialised business model, we will explore ways of achieving greater sustainability by looking for more energy-efficient methods, opportunities to save water and, most importantly, the chance to uplift local communities across Asia.

Although the short-term performance in the agri-food sector may be volatile, by continuing to focus on our mission and be guided by our values, we remain steadfast in generating value for our shareholders while contributing meaningfully to the communities we serve. At the heart of our efforts is a team of more than 37,000 people who, with unyielding commitment and dedication, work tirelessly every day to achieve this goal. By collecting some of their testimonials, this Annual Report is also a tribute to them.

APPRECIATION

As I conclude, I extend my heartfelt gratitude to all stakeholders who have supported Japfa on our mission. Your trust, partnership and collaboration are vital as we navigate today's challenges and strive to make a lasting impact on the lives of millions. Together, let us continue to build on the legacy we inherit and forge a future where nutritious and affordable protein foods are accessible to all, ensuring a healthier, more sustainable tomorrow.

Lim Hwee Hua
Independent Chairman

CEO'S MESSAGE

Dear Shareholders,
Over the past couple of years, we have been confronted with a tough operating environment, yet we have never lost track of our purpose of *Feeding Emerging Asia* with staple protein foods and remain focused on achieving our goal of capturing the growth potential for protein consumption in our markets.

Indeed, 2023 proved to be another challenging year for much of the global economy, grappling with slowing growth, tightening monetary policies and inflation. Geopolitical tensions, with the ongoing conflict in Ukraine and, more recently, in the Middle East, have disrupted global food supply chains and increased uncertainty, weakening consumer confidence. Rising energy costs and unpredictable weather conditions further added to the issues faced by the global agri-food industry.

Japfa was not immune to these headwinds, which prompted us to adopt a conservative approach to reduce risks. This approach, combined with the strength of our industrialised business model, yielded positive results over the course of the year, as reflected by an improvement in profitability in 2H2023. We remain confident in our ability to weather the challenges and deliver on long-term value to our stakeholders, while feeding millions of people with staple protein foods.

2023: A YEAR OF TWO CONTRASTING HALVES FOR JAPFA

Despite significant improvements in 2H2023, a weak 1H2023 took its toll on the overall 2023 full-year results. Our performance was affected by the cost-of-living pressures, as inflation rose and disposable income, particularly in the low-income segment, was squeezed, hampering our ability to increase selling prices.

Against this backdrop, we adopted a conservative approach and executed plans to mitigate risks, increase efficiency and streamline operations across both PT Japfa Tbk and APO-Vietnam. These intiatives brought positive results and we made substantial progress in reducing our production costs in line with our plans to streamline operations and recalibrate growth.

In 2H2023, the Group's performance improved substantially. In 2H2023 alone, operating profit was US$115.1 million, compared to US$118.8 million for FY2023. After a negative US$49.3 million in 1H2023, the Group recorded a positive Core PATMI without Forex of US$21.2 million in 2H2023. These improvements resulted from:

- stronger feed margins in most of Japfa's markets, where feed proved once again to be a stable pillar of profitability;
- lower production costs in swine operations in Vietnam, stemming from management's efforts to streamline operations; and
- higher selling prices of colour birds in Vietnam.

While FY2023 presented challenges, we are encouraged by the progress we are making and will continue this conservative approach, holding back on non-essential capital expenditures, until there is a clear indication of recovery of consumer demand and Average Selling Prices in any of our markets. While we acknowledge that cost-of-living pressures are likely to persist in the short term, we are cautiously optimistic about future recovery and growth, especially in the markets we operate in.

FIT FOR THE FUTURE

At Japfa, our focus has always been on sustainable growth, by investing carefully to build and drive future success. Over the past ten years, we have invested significantly across geographies and segments, building solid foundations and capacity that position us strongly within the protein industry in Asia.

Going forward, we remain committed to three pivotal areas that we have previously underscored:

- **greater focus**, sharpening our vertically integrated operations to capture the full potential of our integrated value chain;
- **digitalisation**, leveraging the latest technologies; and
- **sustainabilty**, through our unwavering commitment to Environmental, Social, and Governance principles.

First, while we remain committed to our overall direction, we also recognise the importance of selectivity in our approach to investment across the business. We have streamlined Japfa's cost structure, enhancing efficiencies at the upstream level, and emphasising prudent investments in our downstream business, so as to proactively adapt to the ever-changing market dynamics. This strategic approach ensures careful resource optimisation and allows us to closely align with the demand in our markets.

Second, we continue our digitalisation process and adopt technological advancements to improve operational efficiency at all levels. This ensures that we remain at the forefront of our industry and are ready to meet the evolving needs of the market.

Third, our dedication to sustainability remains steadfast and we continue to sharpen our focus on sustainable practices, aligning our growth with the principles of social and environmental responsibility.

These three areas – greater focus, digitalisation, sustainability – are all necessary to continue to increase efficiency and, ultimately, strengthen

“WHILE FY2023 PRESENTED CHALLENGES, WE ARE ENCOURAGED BY THE PROGRESS WE ARE MAKING AND WILL CONTINUE THIS CONSERVATIVE APPROACH TO REDUCE RISKS”

our Group. I'm pleased to say that we have made significant headway in these elements over the last few years, and these continue to underpin our strategy going forward into 2024.

LOOKING AHEAD

Food security remains a global challenge in today's world and particularly in the markets in which Japfa operates, as the ongoing global challenges further exacerbated the costs of a balanced and healthy diet.

According to the Food and Agriculture Organisation[1], 3.1 billion people worldwide are unable to afford a healthy diet and more than 40% of these people live in the countries where we operate, namely Indonesia, Vietnam, Myanmar, India and Bangladesh.

Behind these numbers there are real people and real needs to be met. Our efficient business model for protein production combined with a meaningful purpose and strong values are necessary now more than ever.

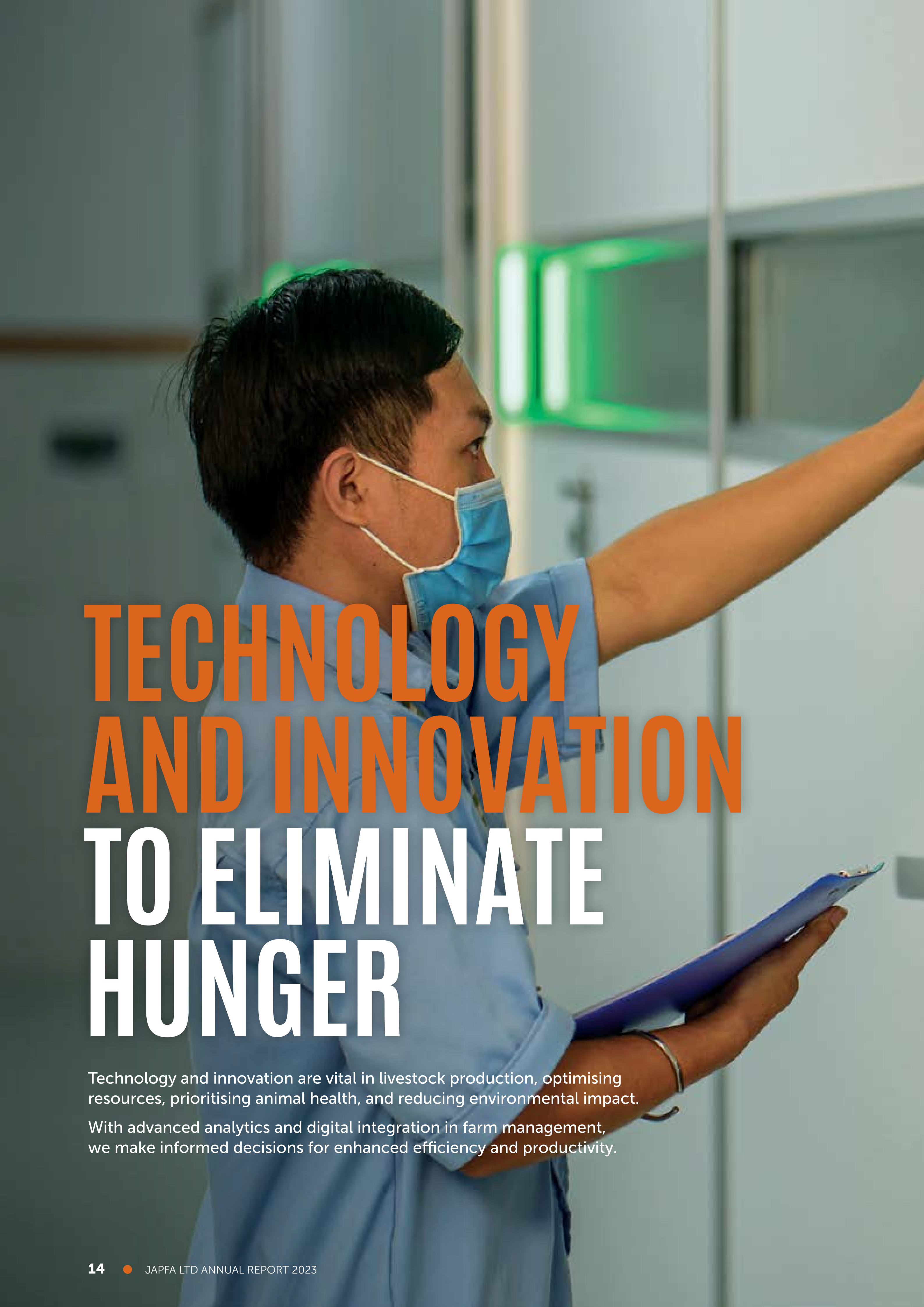
Some obstacles may still be on our path but our solid foundations and the dedication of our people, from the boardroom to the field, are the driving force of our success and give us confidence about the future. This Annual Report is a tribute to the unwavering commitment of Japfa people, who are at the heart of our business. Thank you for your hard work and dedication.

I would like to express my appreciation for my fellow directors on the Board, colleagues and stakeholders for your continued support. In 2023, we welcomed a new Independent Chairman, Mrs Lim Hwee Hua, to our Board. We look forward to the skills and experience she brings to Japfa.

Last but not least, I want to thank you, our esteemed shareholders, for standing by us in a challenging year. We are energised by what lies ahead as protein consumption is expected to grow on the back of rising affluence and growing population in our markets. By delivering on our purpose of *Feeding Emerging Asia*, we create value for our stakeholders and drive Japfa into the future.

Tan Yong Nang
Chief Executive Officer

[1] Food and Agriculture of the United Nations. (2023). The state of food security and nutrition in the world. Food and Agriculture Organization (FAO) https://www.fao.org/documents/card/en?details=cc3017en



TECHNOLOGY AND INNOVATION TO ELIMINATE HUNGER

Technology and innovation are vital in livestock production, optimising resources, prioritising animal health, and reducing environmental impact.

With advanced analytics and digital integration in farm management, we make informed decisions for enhanced efficiency and productivity.

FOOD IS THE FOUNDATION OF LIVING WELL

Japfa through the eyes of our Employees

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Working at Japfa means understanding the latest technologies and innovations to enhance product quality, delivering greater benefits to our customers. Japfa's conducive work culture ensures that employees are productive and Company's goals are achieved. Japfa also provides skills and career development opportunities. All this makes me enthusiastic about Japfa.

Ali Maskuri
Head of PS Hatchery, Poultry Breeding, Indonesia

At Japfa, I have always been encouraged to strive for innovation. This has motivated us employees to seek new knowledge, always have clear goals at work and always act voluntarily to achieve better and more optimal productivity. Currently, I am working in the field of commercial poultry. I feel very lucky because this is a specific field in which Japfa is a pioneer in Vietnam.

Hoàng Văn Tùng
Assistant Manager Technical Support, Poultry, Vietnam

As a Product Head, it has been inspiring to witness the enthusiasm and adaptability of our teams at Japfa. We have not just embraced digital transformation but also fostered a culture of continuous innovation via change management and are committed to delivering the best products and experiences to our customers through the power of digital innovation.

Somshekhar Mohanty
Senior Manager Product Management, Food, India

I have worked at Japfa since I graduated from college, and this has become my second home ever since. A place where I can learn, expand my potential, and grow. It's not just a workplace; it's a family where where mutual support is a core value, guiding us through challenges. Starting as a small step, working at Japfa has evolved into a significant stride towards a brighter future in my life.

Inna Herliana
Head of R&D, Vaksindo, Indonesia

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BUSINESS SEGMENT

ANIMAL PROTEIN PT JAPFA TBK

In Indonesia, we run our animal protein operations through IDX-listed PT Japfa Comfeed Indonesia Tbk ("PT Japfa Tbk"), our 55.4%-owned[1] subsidiary.

Under PT Japfa Tbk, we produce high-quality animal proteins, namely poultry, aquaculture and beef, as well as branded consumer foods, and are a large-scale producer of specially formulated animal feed. We partner with world-leading genetics companies to breed high performance parent livestock in modern farm facilities with advanced management systems.

POULTRY

We are the second largest poultry[2] company in Indonesia, producing premium-quality feed for sale to external customers as well as for internal use within our farms. Our core brands *Comfeed* and *Benefeed* are widely recognised in the market for their consistent quality, their suitability for local conditions as well as their ability to provide optimum nutrition to livestock, which translates to higher profits for farmers.

We also deliver high performance Day-Old-Chicks ("DOCs") in collaboration with world leading poultry genetics company, Aviagen. Tapping on our strong expertise in industrialised farming, our commercial broiler farms are a key provider of a staple protein food in Indonesia.

Our downstream consumer food products are manufactured using our own animal proteins as raw materials, which ensures consistency in food safety, quality and reliability. As such, our ready-to-eat and ready-to-cook processed food products under the *So Good* and *So Nice* brands are widely enjoyed by families across Indonesia.

To combat the threat of disease, we have PT Vaksindo Satwa Nusantara ("Vaksindo"), a leading animal vaccine company producing a variety of livestock vaccines especially for poultry. Vaksindo is a strategic link in our value chain, providing a defence against one of the key risks in livestock production, and Japfa is the only poultry producer in Indonesia with its own in-house vaccine research and production facility. Vaksindo's products are backed by innovative research and strict adherence to international quality and safety standards and are currently exported in 14 countries.

AQUACULTURE

Established in 1987, our aquaculture business is vertically integrated, operating aqua feed mills, shrimp and fish hatcheries, grow-out farming and seafood processing facilities.

Feed production is the core activity of our aquaculture business. Our feed mills produce a wide range of feed products, for both marine and freshwater aquaculture species, that provide consistent performance.

Our shrimp breeding capabilities have been enhanced with the establishment of shrimp broodstock multiplication centres, in a joint venture with Hendrix Genetics Aquaculture B.V. to cultivate Kona Bay shrimp broodstock from Hawaii, which is renowned for high yield performance. Kona Bay is a market leader, supplying more than 50% of shrimp broodstock in Indonesia.

As part of our total solution approach, we also provide technical assistance services, animal health services and R&D teams to help our customers increase farm productivity.

BEEF

We operate an integrated beef business from beef cattle breeding, fattening and abattoir to value-added meat production. We focus on the premium meat business under the *Tokusen Wagyu Beef* brand.

STRONG MARKET POSITIONS

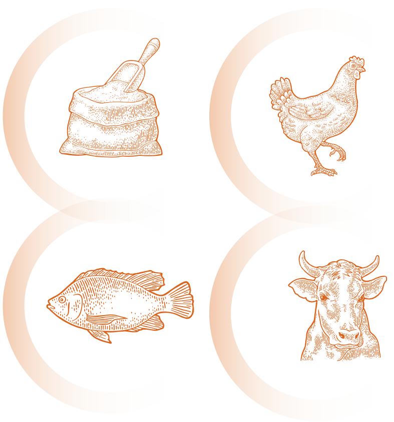
> Indonesia

#2[2]

DOC Production
25%

#2[2]

Poultry Feed Production
21%



POULTRY

- **16** feed mills
- **78** poultry breeding farms
- **30** hatcheries
- **Over 120** company-owned commercial farms
- **Around 8,500** contract commercial farms
- **16** slaughterhouses and primary processing plants
- **3** cold storages
- **7** meat processing units
- **2** vaccine production facilities

AQUACULTURE

- **5** feed mills
- **12** shrimp hatcheries
- **6** freshwater fish hatcheries
- **4** freshwater fish farms
- **3** cold storage & processing plants

BEEF

- **1** beef cattle feedlot
- **1** processing operation

[1] As at 31 December 2023.
[2] 2021 rankings and market share based on Frost & Sullivan estimates.

BUSINESS SEGMENT

ANIMAL PROTEIN OTHER

The Animal Protein Other (“APO”) segment covers Japfa’s operations in Vietnam, India, Myanmar and Bangladesh, where we produce quality animal feed, poultry and swine.

We have successfully replicated our industrialised, vertically integrated business model for poultry production across these emerging Asian markets. Likewise, we applied the same model and leveraged on our core competences in protein production to establish our swine operations in Vietnam.

Our APO operations constitute a key part of the Group’s diversification strategy to ensure long-term sustainable earnings.

VIETNAM

Our poultry operations in Vietnam are integrated from feed and breeding to commercial farming and processing and distribution. In addition to broiler chicken, few years ago we strategically started colour bird as a new poultry product line. Colour bird is the preferred choice for Vietnamese consumers over broiler chicken and is served in high-end restaurants and households, thus representing a different market than the broiler chicken that is typically consumed in factory and school canteens.

In Vietnam, we also produce swine feed and have built a robust industrialised swine breeding pyramid, starting from the Great Grand-Parent level, that allows us to have sufficient genetic stock to develop our vertically integrated system. Our modern swine breeding and fattening farms are equipped with the latest technologies.

In line with the expected protein consumption growth in Vietnam, over the last few years we have built strong foundations that allow us to grow our business to meet this demand. We will also complete the construction of a vaccine factory. Leveraging on the strong track record in vaccine research and production of Vaksindo in Indonesia, this modern factory will produce a variety of vaccines for avian, cattle and swine livestock in the Vietnamese market.

INDIA

Our poultry operations in India are focused on producing premium quality poultry feed, mainly for sale to third parties. More recently, we started production of feed for other species, such as cattle, fish and swine, and we are also looking to develop our downstream segment.

BANGLADESH

In Bangladesh, our main focus is the production of poultry feed and we are in the start-up phase for this business.

MYANMAR

We operate an integrated poultry operation in Myanmar, where we are the second largest poultry company for feed and Day-Old-Chicks ("DOC") production[1].

STRONG MARKET POSITIONS

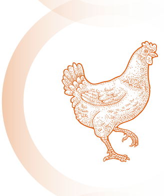
> Vietnam

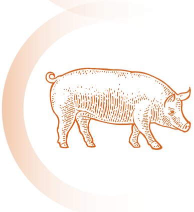
#2[1]
DOC Production
20%

> Myanmar

#1[1]
Poultry Feed
Production **31%**

#2[1]
DOC Production
22%





VIETNAM

Feed (Poultry, Swine, Aqua)
- **7** feed mills

Poultry
- **2** Grand Parent ("GP") farms
- **20** Parent Stock ("PS") farms
- **4** central hatcheries
- **Over 1,000** company-managed and contract commercial farms

Swine
- **2** Great-Grand Parent ("GGP") farms
- **4** Grand Parent ("GP") farms
- **31** Parent Stock ("PS") farms
- **Over 500** company-managed and contract fattening farms

Processing & Distribution
- **2** slaughterhouses
- **1** processing factory
- **20** hybrid stores
- Online distribution

INDIA

Poultry
- **5** company-owned poultry feed mills
- **1** poultry breeding farm
- **2** hatcheries
- **Around 250** contract commercial farms

Processing & Distribution
- **2** company-owned stores
- Online distribution

BANGLADESH

Poultry
- **1** poultry feed mill

MYANMAR

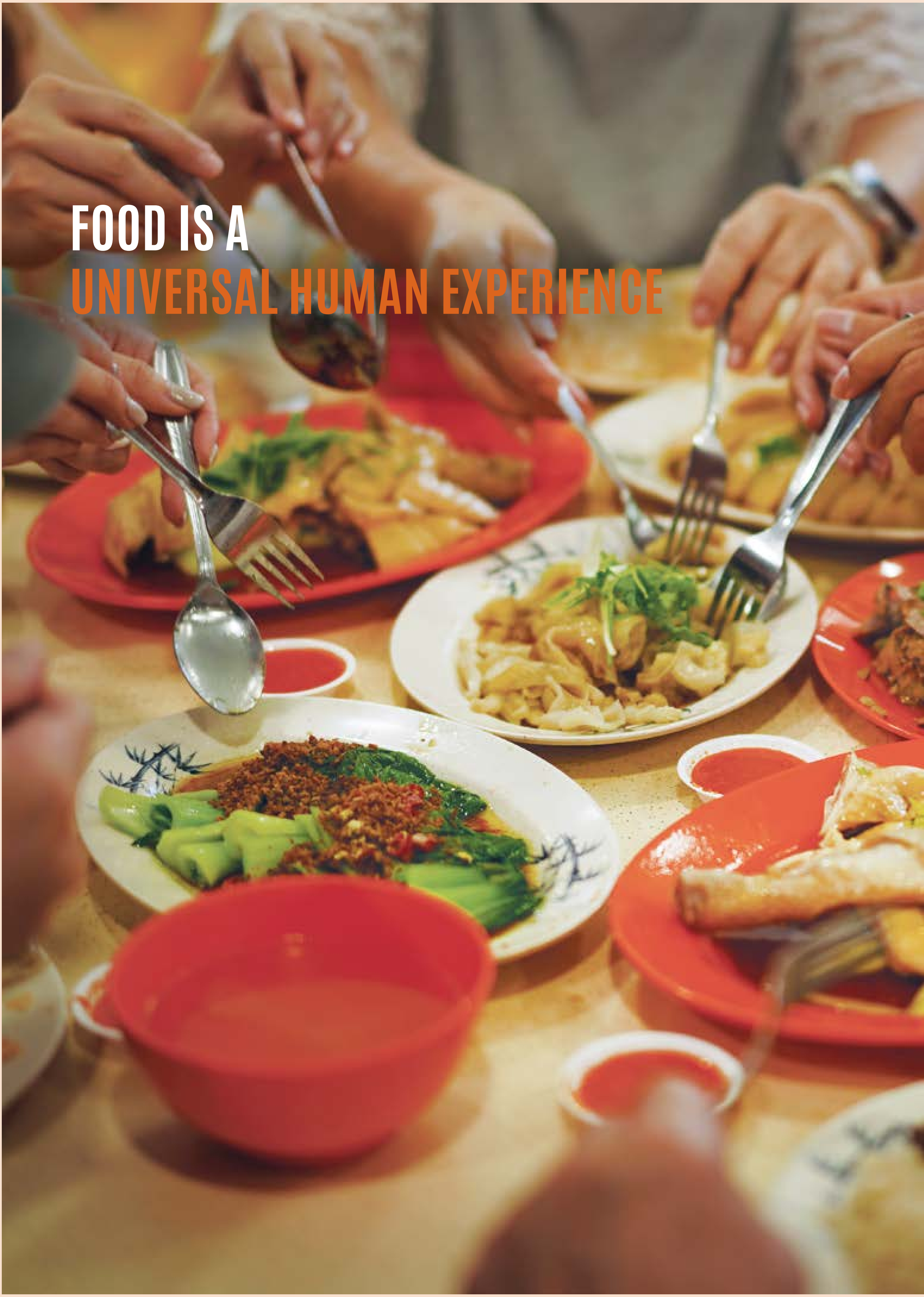
Poultry
- **2** poultry feed mills
- **3** poultry breeding farms
- **2** hatcheries
- **4** company-managed commercial farms

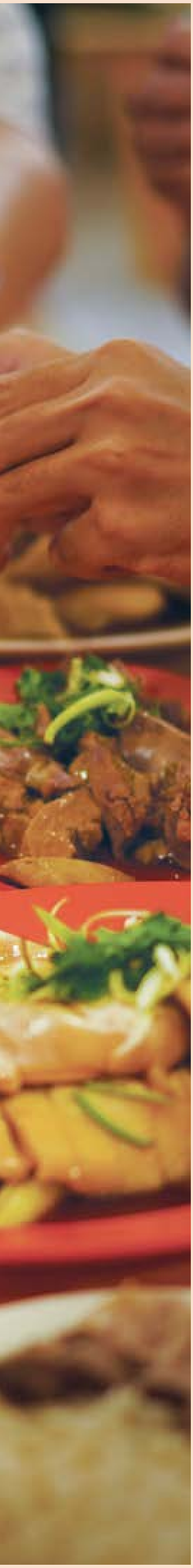
[1] 2023 rankings and market share based on Japfa's estimates.

FOCUSING ON OUR VALUE CHAIN, DELIVERING GOOD PROTEINS IN THE REGION

Our sector expertise ensures the best outcomes for customers, shareholders, and all stakeholders. We are committed to enhancing food security in our markets. Our scale allows us to deliver high-quality yet affordable staple proteins. Through vertical integration, we capture value along the chain, ensuring food security and traceability for our customers.

FOOD IS A UNIVERSAL HUMAN EXPERIENCE





Japfa through the eyes of our Employees

"Since joining Japfa 15 years ago, I have witnessed the Company's development in feed, swine and poultry moving in a very positive direction and the lives of employees also improve proportionally. I have worked seven years in the network infrastructure and eight years in the software development team and I really enjoy my role. I have great ideas and plans to continue learning, working, and improve myself at Japfa.

Bui Manh Hung
Assistant Manager, Support Business Application Feed, IT, Vietnam

I joined Japfa after graduating from Veterinary university in 2002, so 2024 marks my 22nd year with the company. I enjoy the pan-Asia outlook that the Company has and the fact that Japfa always takes care of its business partners, employees, and customers in line with its vision of *Growing Towards Mutual Prosperity*.

Nay Myo Htet
Operations Manager, Poultry, Myanmar

I'm proud to be working at Japfa and thankful for all the opportunities I have been given that have brought me where I am today. Being able to work in different fields and locations, I have continued to learn and grow not just myself but also building a strong team to contribute to the Company.

Phan Long Thúóng
Production Assistant Manager, Feed, Vietnam"

FINANCIAL HIGHLIGHTS[1]

Financial year ended 31 December 2023

REVENUE
US$**4.4** billion
1.5% Y-O-Y

OPERATING PROFIT
US$**118.8** million
-23.6% Y-O-Y

OPERATING PROFIT MARGIN
2.7%
-0.9 PTS Y-O-Y

EBITDA[2]
US$**237.9** million
-11.5% Y-O-Y

PATMI
US$**(30.8)** million
376.5% Y-O-Y

CORE PATMI W/O FOREX[3]
US$**(28.2)** million
N/M

- **FY2023 was a challenging year, where Japfa profitability was affected by inflation, reducing consumer purchasing power and our ability to increase selling prices across our markets.**
- **We adopted a conservative approach by streamlining operations to reduce costs and recalibrating growth.**
- **FY2023 was a year of two contrasting halves for Japfa**
  - **In 2H2023 alone, the operating profit was US$115.1 million. The Group recorded a positive Core PATMI w/o Forex of US$21.2 million in 2H2023 after a negative US$49.3 million in 1H2023.**
  - **The 2H2023 improvements resulted mainly from stronger feed margins, higher selling prices in colour birds and lower production costs across swine operations.**
  - **Despite substantial improvements to performance in 2H2023, a weak 1H2023 dragged down the full-year FY2023 results.**

The feed business proved once again to be a pillar of profitability and poultry feed margins remain stable in most of our markets.

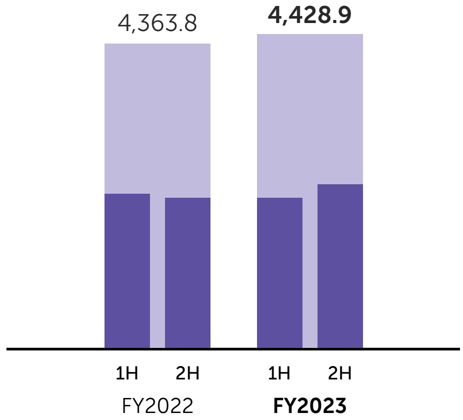
While broiler prices were generally lower y-o-y across all our markets, colour bird prices in Vietnam improved in 2H2023.

Management's efforts to streamline operations successfully reduced swine production costs in Vietnam in FY2023.

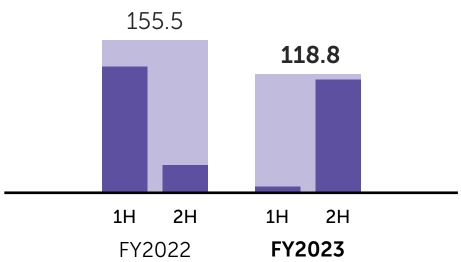
1 For comparative purposes, FY2022 financial results do not include AustaAsia Group Ltd (AAG), the dairy segment in China, which ceased to be a subsidiary of Japfa Ltd following the distribution in specie of AAG shares on 31 December 2022.
2 We define "**EBITDA**" as profit before tax, excluding interest 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.
3 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 gain/losses.

FY2023: A YEAR OF TWO CONTRASTING HALVES FOR JAPFA

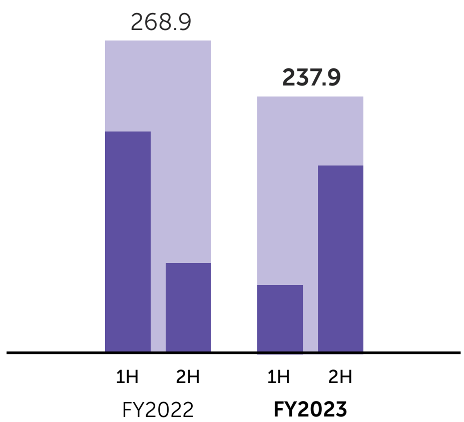
REVENUE
(US$million)



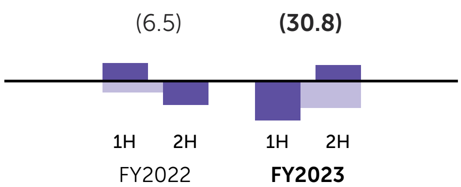
OPERATING PROFIT
(US$million)



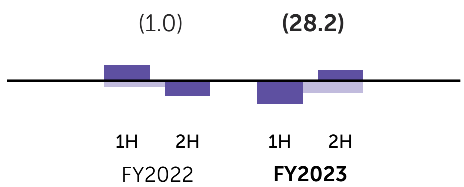
EBITDA
(US$million)



PATMI
(US$million)



CORE PATMI W/O FOREX
(US$million)



Note: For comparative purposes, FY2022 financial results do not include AustaAsia Group Ltd (AAG), the dairy segment in China, which ceased to be a subsidiary of Japfa Ltd following the distribution in specie of AAG shares on 31 December 2022.

OPERATING & FINANCIAL REVIEW

OVERVIEW

FY2023 was a challenging year for many economies, affecting businesses around the world, where Japfa was no exception.

The world has been facing cost-of-living concerns, as global inflationary pressures arising from interest rate hikes by central banks, high energy costs and supply chain bottlenecks, reduced consumer purchasing power across all our markets. While the cost-of-living pressures hampered our ability to increase selling prices, we adopted a conservative approach throughout FY2023 and made substantial progress in reducing production costs by streamlining operations and recalibrating our growth plans.

As a result, FY2023 was a year of two contrasting halves for Japfa. In 2H2023, the Group's performance improved substantially, however a weak 1H2023 dampened our profitability and full-year results (FY2023). Japfa posted an operating profit of US$118.8 million in FY2023, with US$115.1 million recorded in 2H2023 alone. The Japfa Group recorded a positive Core PATMI without Forex of US$21.2 million in 2H2023, after a negative US$49.3 million in 1H2023.

These improvements in 2H2023 resulted from:

- stronger feed margins in most of Japfa's markets;
- quick and decisive action taken by the management, including streamlining and lowering production costs for our swine operations in Vietnam; and
- higher selling prices for colour bird in Vietnam.

Against this backdrop, Group's revenue increased 1.5% year-on-year ("y-o-y") to US$4.4 billion. Although Core PATMI without Forex was negative at US$29.6 million in FY2023, the Group EBITDA stood at US$237.9 million.

The key financial highlights for the Japfa Group's segmental results included:

- **PT Japfa Tbk:** despite the substantial improvements in 2H2023, a weak 1H2023 dampened overall performance. While the feed business proved once again to be a pillar of profitability with stable margins, weak poultry prices weighed down the full-year performance and the segment reported a decrease in operating profit of US$39.7million y-o-y.
- **Animal Protein Other ("APO"):** The segment's performance improved significantly in 2H2023 as both operating profit and EBITDA moved back into positive territory compared to 1H2023, due to higher selling prices for colour birds and a tangible reduction in production costs. Despite such improvements, FY2023 results were still impacted by margin contraction in APO markets, as selling prices remained low for most of the period under review. The costs related to streamlining initiatives in Vietnam also impacted the segment's performance.

MAJOR DEVELOPMENTS

In consideration of a challenging operating environment, with inflationary pressures affecting both the production costs and selling prices of our products, our focus in FY2023 was on increasing efficiency and mitigating risks in both PT Japfa Tbk and APO-Vietnam.

This prudent and disciplined approach translated into streamlining operations, particularly at the upstream level, and freezing non-essential capital expenditure ("Capex") across the Group until there is a clear upward trend in the recovery of consumer demand and Average Selling Prices ("ASP").

For **PT Japfa Tbk**, we have recalibrated our short-term growth plans and adjusted Capex accordingly to limit the need for additional major funding. We have already proven that we can efficiently adjust Capex roll-out according to the prevailing market conditions, as PT Japfa Tbk has frozen non-essential Capex since 1Q2020 when Covid hit Indonesia. PT Japfa has also streamlined Downstream operations to improve efficiency and control costs, as well as implemented cost tightening measures such as a freeze on new permanent hires and on business travel.

In consideration of the low swine prices in Vietnam since 4Q2022, **APO-Vietnam's** original aggressive growth plan for FY2023 was recalibrated until the "ASP relative to feed cost" ("ASP/feed cost ratio") is clearly trending upwards. This measure, which includes freezing non-essential growth Capex, is a risk-mitigating move in the event that the ASP/feed cost ratio remains low due to adverse economic conditions.

The additional measures implemented in APO-Vietnam include:

- The progressive depopulation and closure of sow breeding farms that do not meet our production and biosecurity standards;
- The reduction of parent stock (PS) Sow/Gilt population. Due to the "long lead time" nature of the swine business, the effect on the fattening pig output began to be felt only towards the end of 2023;
- The improvement of production processes and procedures, including a focus on the implementation of biosecurity and control procedures to minimize risk from disease;
- The streamlining of operational and management decision-making to facilitate faster and effective execution at farm level.

The measures implemented by both PT Japfa Tbk and APO-Vietnam have already proved effective as shown by the performance improvement in 2H2023, which we believe will allow Japfa to better navigate the current challenges effectively.

FY2023 was also marked by a notable achievement with the delivery of live **broiler chickens to Singapore** from Indonesia via sea. Even though this initiative is still in the early stages and has minimal financial impact, it is still an important step, as it proves the capability of Japfa to meet Singapore's demand and standards for chicken, based on our attention to quality and our vertically integrated business model, from feed and breeding to farming and food processing. The shipments completed to date were the result of the combined efforts of Japfa, Singapore and Indonesia's authorities and we look forward to expanding further our contribution to Singapore's food security by providing nutritious staple proteins to local consumers.

LOOKING AHEAD

Our approach to managing risks yielded positive results in FY2023 and we are encouraged by the progress we made in recalibrating growth. Although we are pleased with the improvement in profitability in 2H2023, as we look towards FY2024 we are conscious of the potential disruptions that may arise from the continued cost-of-living pressures as well as the ongoing geopolitical tensions across the world and their impact on the general economic conditions. It is therefore essential that we continue to adopt a prudent approach to mitigate this impact, as we have throughout FY2023. This translates into holding back on non-essential Capex across the Group and continuing to focus on efficiency.

We remain optimistic about our mid- and long-term growth opportunities, as the markets in which we operate – Indonesia, Vietnam, Myanmar, India and Bangladesh – still see low levels of animal protein consumption, which are set to increase driven by population and economic growth.

On the back of our vertically-integrated industrialised business model, Japfa has laid a solid foundation to capture this growth.

In **PT Japfa Tbk** we plan to drive future growth in by:

- Strengthening our Downstream business through the further development of our poultry processing and consumer products business.
- Developing further our Aquaculture operations, which are vertically integrated operating feed mills, shrimp and fish hatcheries, grow-out farms, and seafood processing facilities.
- Leveraging and growing Vaksindo[1], a company within the Group with the expertise to produce Avian Influenza H5N1 vaccines and one of the leading producers of vaccines of matching strains.

Notwithstanding the current temporary setbacks of margin shrinkage, **APO-Vietnam** is yet another platform for growth, as the longer-term prospects of economic growth in Vietnam remain sound and are expected to lead to a higher demand for staple proteins in the future.

[1] PT Vaksindo Vaksindo Satwa Nusantara.

OPERATING & FINANCIAL REVIEW

To capture this growth, we have made some strategic investments in Vietnam over the past few years:

- We have built a feed capacity of 1.9 million tons p.a.;
- The establishment of a robust and modern industrialised swine value chain with a breeding pyramid starting from the Great-Grand Parent level, and equipping our farms with the latest technologies and biosecurity measures;
- The strategic expansion into colour bird, a new poultry product line, as colour bird is the preferred choice by Vietnamese consumers over broiler;
- The construction of a new poultry slaughterhouse as part of our downstream strategy; and
- A new vaccine factory, which is expected to be completed shortly, leveraging our strong track record in vaccine research and production by Vaksindo in Indonesia.

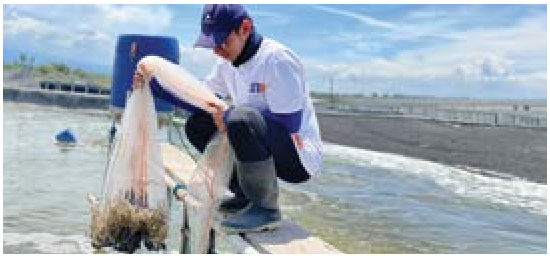
Based on the platform above and our core competencies in industrialised farming and food production, we remain confident in our long-term outlook for the Group. Ultimately, Japfa produces animal proteins in emerging Asian markets with a combined population of more than 1.7 billion. A huge potential market of people to be fed with nutritious yet affordable staple protein foods.

AQUACULTURE: THE NEXT PLATFORM FOR GROWTH

PT Japfa Tbk's Aquaculture business is vertically integrated and operates feed mills, shrimp and fish hatcheries, grow-out farms, and seafood processing facilities. Aquafeed represents more than three quarters of revenue for the division and is a stable pillar of profitability.

The Aquaculture business encompasses also shrimp broodstock multiplication centres, in a joint-venture with Hendrix Genetics, to cultivate Kona Bay shrimp broodstock from Hawaii, renowned to yield high performance in the hatchery and on the farm. Kona Bay is a market leader supplying more than 50% of shrimp broodstock in Indonesia. The Aquaculture business covers also fully integrated tilapia operations from feed to farming and processing, with products exported to Europe and the United States.

In FY2023, we continued to optimise and open new export markets for our aquaculture products, namely Ireland, England and Timor Leste. The Aquaculture business recorded revenue of US$301.3 million and operating profit of US$14.4 million in FY2023.



VAKSINDO: DELIVERING STEADY GROWTH AND PROFITABILITY

Vaksindo is the first animal vaccine manufacturer in Indonesia and a strategic link in PT Japfa Tbk's value chain. Established in 1983, Vaksindo produces a variety of livestock vaccines, especially for poultry, that are routinely used in hatcheries, breeding farms and commercial farms.

Japfa is the only poultry producer in Indonesia with its own in-house vaccine research and production facility, which provide a strategic defense against one of the key risks in livestock production. In particular, Vaksindo has the expertise to produce Avian Influenza H5N1 vaccines since 2004 and is now one of the leading producers providing vaccines of matching strains.

Presently Vaksindo owns and operates two production plants in Bogor, Indonesia, and exports vaccines to 14 different countries. Vaksindo has also expanded overseas with a presence in India and more recently in Vietnam. In FY2023, Vaksindo recorded revenue of US$37.3 million and operating profit of US$14.1million.

GROUP

	(US$m)	FULL YEAR FY2022* (with Dairy)	FY2022** (without Dairy)	FY2023		HALF YEAR 1H2023	2H2023	
Japfa Ltd	Revenue	*4,363.8*	4,363.8	4,428.9	▲	2,118.9	2,310.1	▲
	Operating Profit	*155.5*	155.5	118.8	▼	3.8	115.1	▲
	Operating Profit Margin	*3.6%*	3.6%	2.7%	▼	0.2%	5.0%	▲
	EBITDA	*268.9*	268.9	237.9	▼	64.0	173.9	▲
	PAT	*61.6*	38.3	(6.0)	▼	(50.8)	44.8	▲
	PATMI	*8.2*	(6.5)	(30.8)	▼	(53.6)	22.8	▲
	Core PATMI w/o Forex	*34.6*	(1.0)	(28.2)	▼	(49.3)	21.2	▲

BUSINESS SEGMENTS

	(US$m)	FY2022* (with Dairy)	FY2022** (without Dairy)	FY2023		1H2023	2H2023	
PT Japfa Tbk	Revenue	*3,283.0*	3,283.0	3,362.7	▲	1,609.3	1,753.4	▲
	Operating Profit	*180.8*	180.8	141.1	▼	41.8	99.3	▲
	Operating Profit Margin	*5.5%*	5.5%	4.2%	▼	2.6%	5.7%	▲
	EBITDA	*255.2*	255.2	218.9	▼	81.1	137.9	▲
	PAT	*92.9*	92.9	54.5	▼	3.7	50.8	▲
	PATMI	*48.7*	48.7	29.6	▼	1.0	28.7	▲
	Core PATMI w/o Forex	*48.1*	48.1	30.4	▼	1.5	28.9	▲
Animal Protein Other	Revenue	*1,038.9*	1,038.9	1,042.7	▲	500.6	542.1	▲
	Operating Profit	*(33.8)*	(33.8)	(33.4)	▼	(43.7)	10.4	▲
	Operating Profit Margin	*-3.3%*	-3.3%	-3.2%	▼	-8.7%	1.9%	▲
	EBITDA	*5.2*	5.2	9.6	▲	(22.5)	32.1	▲
	PAT	*(52.0)*	(52.0)	(56.9)	▼	(53.6)	(3.3)	▲
	PATMI	*(52.8)*	(52.6)	(56.8)	▼	(53.6)	(3.2)	▲
	Core PATMI w/o Forex	*(47.3)*	(47.3)	(54.9)	▼	(49.9)	(5.1)	▲

* Following the Distribution in specie ("DIS") of AAG, the Dairy segment in China, on 30 December 2022, AAG ceased to be a subsidiary of Japfa Ltd. Accordingly, the "discontinued operations" accounting principle has been applied as at 31 December 2022, where AAG profit after tax ("PAT") for FY2022 was recorded as a separate line item "profit after tax from Discontinued Operations", which is included in the Group's PAT, PATMI and Core PATMI w/o Forex as shown in the left hand column, FY2022 (with Dairy) above.

** For comparative purposes, the Group PAT, PATMI and Core PATMI w/o Forex for FY2022 (without Dairy) have been adjusted to exclude AAG.

OPERATING & FINANCIAL REVIEW

PT JAPFA TBK

The Group runs its animal protein operations in Indonesia through its IDX-listed subsidiary, PT Japfa Comfeed Indonesia Tbk ("PT Japfa Tbk"), which is a market leader in the production of animal feed and proteins including poultry, aquaculture and beef. The poultry business (feed, breeding and commercial farms) represents the bulk of PT Japfa Tbk's revenue.

Despite substantial improvements in 2H2023, a weak 1H2023 dragged down PT Japfa Tbk full-year results (FY2023).

The segment's revenue increased 2.4% y-o-y to US$3,362.7 million in FY2023 mainly due to higher feed volume and selling prices.

PT Japfa Tbk recorded an operating profit of US$141.1 million in FY2023, a decrease of US$39.7 million compared to FY2022, mainly due to weaker poultry prices. EBITDA stood at US$218.9 million, down 14.2% y-o-y from US$255.2 million in FY2022. PAT was US$54.5 million compared to US$92.9 million a year ago (-41.3% y-o-y).

Feed proved yet again to be a pillar of profitability and we continued to pass on raw material price increases in our selling prices. Feed margins remained stable y-o-y, partially cushioning the impact of a high-cost operating environment and weaker poultry prices.

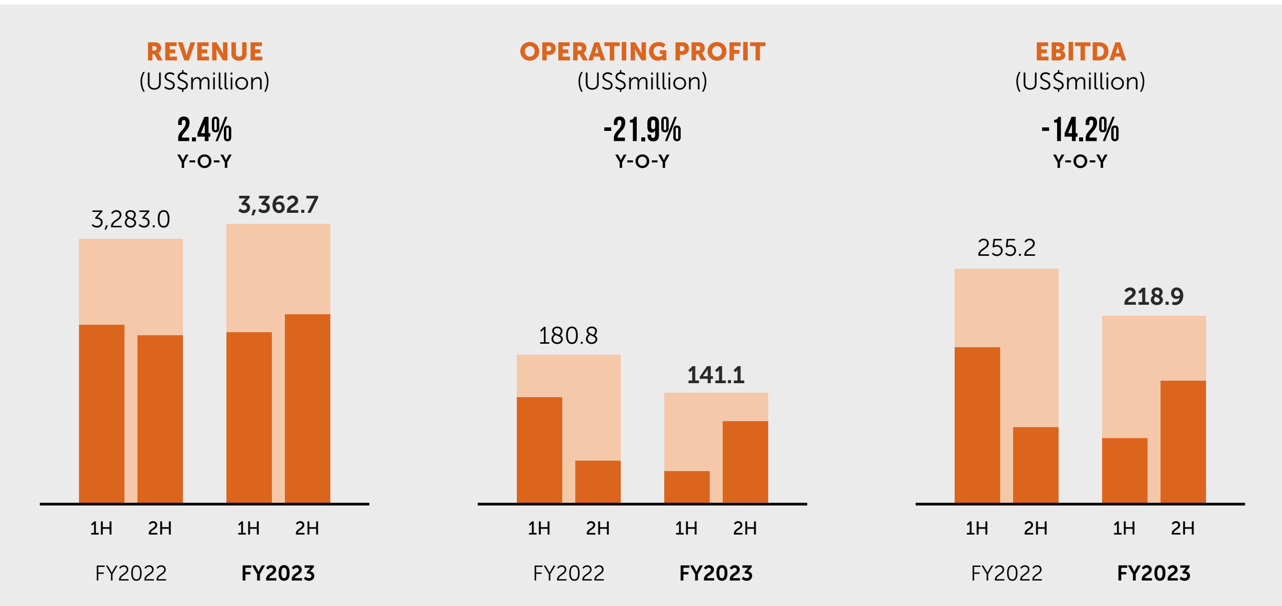
Poultry prices remained weak throughout the year, as a result of the prolonged demand and supply imbalance of both Day-Old-Chicks ("DOCs") and broilers since 2022. Breeding operations reported a lower profit y-o-y mainly due to lower DOC selling prices in 1H2023, while commercial farming reported a loss in FY2023.

The streamlining initiatives adopted in the Downstream business contributed to the performance improvement in 2H2023.

DOC and broiler prices are prone to fluctuation according to demand and supply dynamics, with effects on our selling prices and profitability. Global macro-economic factors, such the high costs of raw materials and the inflationary pressures affecting consumer purchasing power since 2022, add to market dynamics. Over the last few years, supply in Indonesia has progressively grown in line with the expected growth in chicken demand given the low per capita consumption. The impact of inflation has reduced consumer purchasing power and demand for chicken, resulting in a prolonged demand and supply imbalance in both DOCs and broilers. As reflected by the oscillation of PT Japfa Tbk operating profit, the cyclicality tends to even-out over time.

PT Japfa Tbk has a proven track record of adjusting Capex roll-out according to the prevailing market situation. In the light of the current challenging conditions, we have recalibrated our growth plans and prudently adjusted our Capex accordingly.

As the long-term prospects for protein consumption remain solid in Indonesia, PT Japfa Tbk is well-positioned to capture this growth through both its poultry and aquaculture operations.



ANIMAL PROTEIN OTHER

The Animal Protein Other ("APO") segment includes the Group's poultry and swine operations in Vietnam, as well as poultry operations in India, Myanmar and Bangladesh.

As for PT Japfa Tbk, despite APO performance improved significantly in 2H2023, a weak 1H2023 dragged down the FY2023 results.

APO revenue slightly increased at US$1,042.7 million in FY2023 compared to US$1,038.9 million a year ago (+0.4% y-o-y). APO recorded an operating loss of US$33.4 million in FY2023, compared to an operating loss of US$33.8 million in FY2022, primarily from the margin contraction in Vietnam operations in 1H2023. The segment posted a PAT loss of US$56.9 million in FY2023, compared to a PAT loss of US$52.0 million in FY2022.

Although recording a PAT loss in FY2023, EBITDA remained positive at US$9.6 million compared to US$5.2 million a year ago (+86.7% y-o-y) on the back of substantial improvements in 2H2023.

APO-Vietnam

While revenue increased to US$814.8 million in FY2023 (FY2022: US$789.7 million in FY2022), APO-Vietnam recorded an operating loss of US$26.5 million mainly due to low broiler prices and one-off streamlining costs of US$14.3 million incurred in FY2023 as part of recalibrating our growth plans.

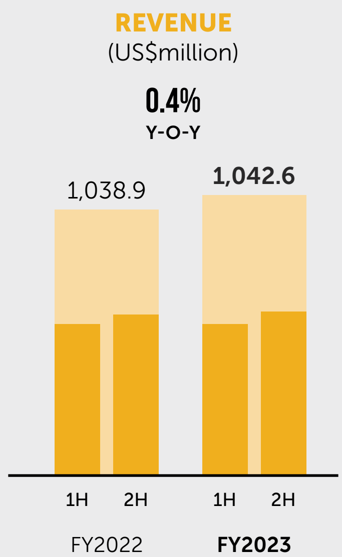
While feed remained a steady contributor to profitability, management's decisive and swift efforts to streamline operations successfully lowered production costs, with the impact felt in 2H2023. As a result, despite swine selling prices were lower y-o-y, swine operations recorded an operating profit of US$6.5 million (excluding one-off streamlining costs and African Swine Fever) in FY2023.

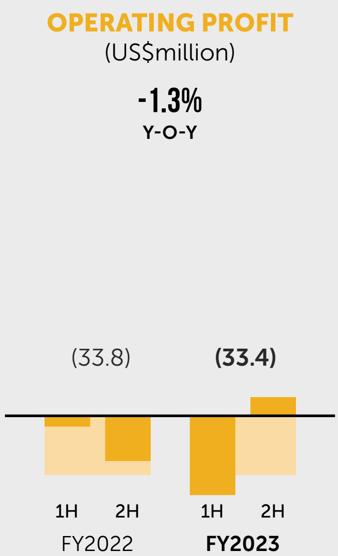
Both broilers and colour birds recorded an operating loss in FY2023, with low selling prices due to weak consumer purchasing power arising from sluggish general economic conditions. While broiler prices remained subdued throughout 2023, colour bird prices showed some signs of recovery in 2H2023.

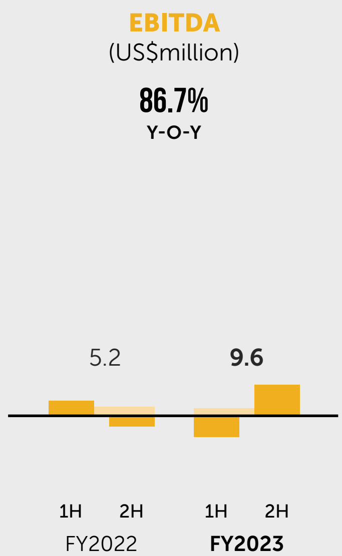
We believe the current issues of margin shrinkage and ASF are temporary setbacks and the longer-term prospects of economic growth in Vietnam to be sound. This should lead to higher demand for staple proteins in future. The tangible costs reduction resulting from the streamlining initiatives adopted by the management, combined with the strong base we have built over the last years, bode well for Japfa.

India, Myanmar, Bangladesh

Feed remains the major business activity across these regions. Collectively these countries recorded a negative EBITDA of US$0.7 million in FY2023 mainly due to weaker poultry prices.







OPERATING & FINANCIAL REVIEW

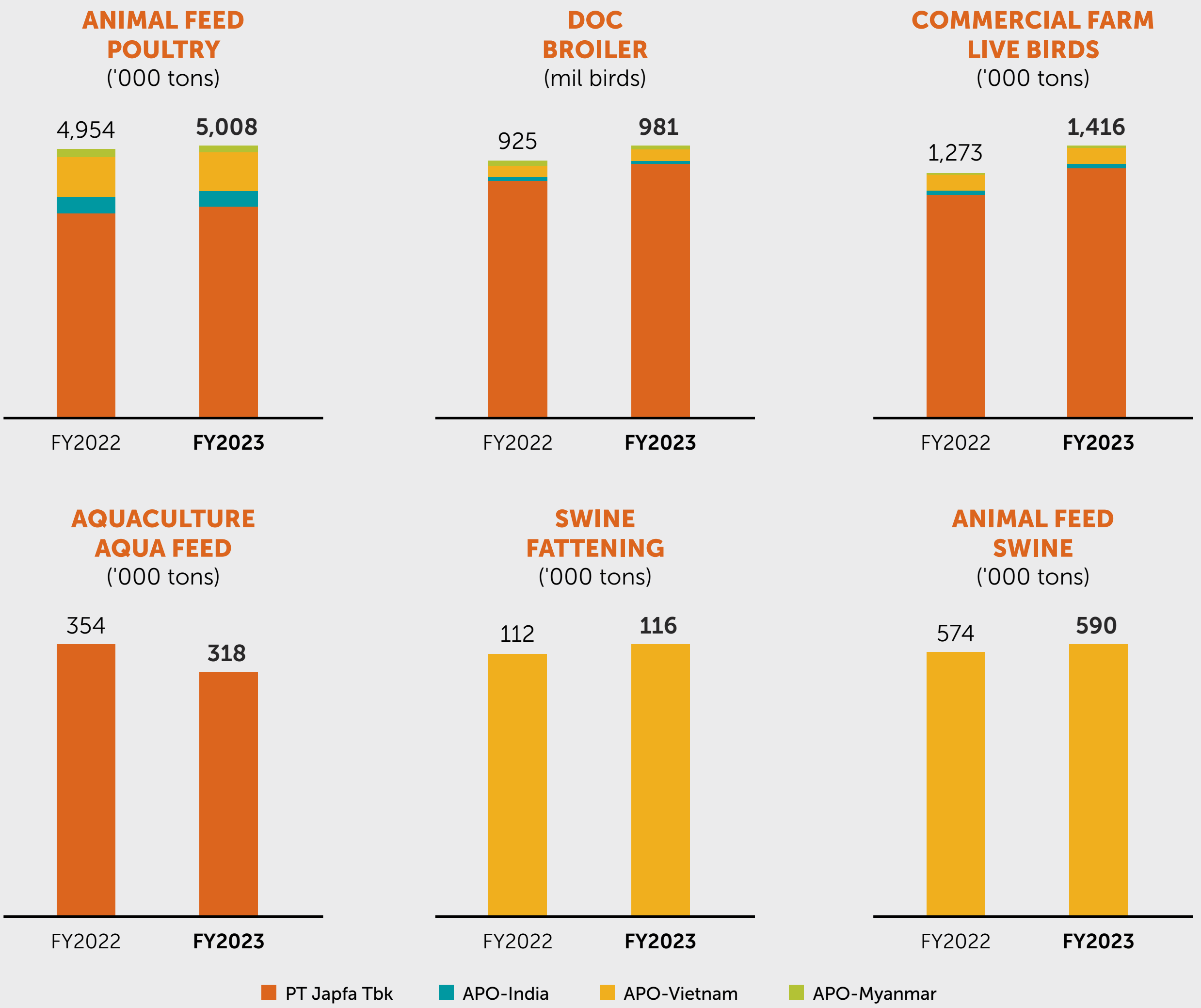
APO-India
APO-India recorded an operating loss of US$2.4 million in FY2023 (FY2022: operating profit of US$2.5 million) on revenue of US$130.0 million in FY2023 (FY2022: US$147.6 million). APO-India remains a key growth market in the longer term and our focus is on growing the feed business.

APO-Myanmar
In Myanmar, consumer demand continues to be affected by the political situation in the country. 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). Although the general situation in Myanmar appears to progressively stabilise, our operations remain challenging as consumer purchasing power is still weak.

The Group's business in Myanmar is not material, representing approximately 2% of Group revenue and assets in FY2023. As APO-Myanmar supplies mainly chicken, which is a staple and affordable protein food, for the time being we keep a patient approach with respect to business growth.

APO-Bangladesh
The financial performance of APO-Bangladesh is not yet meaningful as the poultry feedmill operations are still in the start-up phase. Bangladesh has an interesting huge potential and we aim to provide quality feed, in line with the country's economic growth.

ANIMAL PROTEIN OPERATIONAL PERFORMANCE – SALES VOLUMES



BALANCE SHEET

The Group's total assets as at 31 December 2023 increased by US$15.9 million from US$3,067.9 million to US$3,083.8 million primarily due to increase in property, plant and equipment and inventories.

Total liabilities as at 31 December 2023 increased by US$38.7 million from US$1,852.6 million to US$1,891.3 million primarily due to increase in loans and borrowings and lease liabilities.

Equity attributable to the Owners of the Parent as at 31 December 2023 decreased by US$43.7 million from US$814.9 million to US$771.2 million mainly due to the loss attributable to owners of the parent for the financial year ended 31 December 2023.

Balance Sheet Highlights (US$m)	As at 31-Dec-2022	As at 31-Dec-2023	% change
Total Assets	3,067.9	**3,083.8**	1%
Cash and cash equivalent	280.7	**211.9**	-25%
Total Inventory	948.9	**952.0**	0%
– Inventory (excluding fattening livestock)	*743.7*	***754.2***	*1%*
– Inventory – Fattening Livestock	*205.2*	***197.8***	*-4%*
Total Liabilities	1,853.2	**1,891.3**	2%
Total Debt	1,443.2	**1,485.7**	3%
– Loan and borrowings	*1,274.6*	***1,312.3***	*3%*
– Lease liabilities	*168.6*	***173.4***	*3%*
Total Equity	1,214.7	**1,192.5**	-2%
Equity attributable to the Owners of the Parent	814.9	**771.2**	-5%
Key Ratios			
Net Debt (w/o lease liabilities) / Equity Ratio (x)	0.8	**0.9**	
Net Debt / Equity Ratio (x)	1.0	**1.1**	
Inventory Turnover days*	90	**84**	
NAV per share (US$)	0.40	**0.38**	
NAV per share (S$)	*0.54*	***0.50***	

For comparative purposes, numbers as at 31 December 2022 do not include AAG.

* Inventory turnover days is calculated based on the total inventory

SUSTAINABILITY: OUR COMMITMENT

We do our best to integrate sustainability into our day-to-day operations with a view to supporting a sustainable future for our planet.

Through our efficient production systems, we aim to minimise the use of natural resources and enhance food availability as well as supporting the communities in which we operate.

FOOD IS THE FUEL FOR A SUSTAINABLE FUTURE

Japfa through the eyes of our Employees

"What I value most about working with Japfa is the genuine commitment to sustainability and social responsibility that resonates throughout our organisation. The transition towards an ESG-centric business model presents a steep learning curve. This endeavor to elevate our collective understanding and to ensure that sustainability is not just a policy, but a shared value, is particularly rewarding. It's a testament to Japfa's dedication to leadership and excellence in the face of complex, evolving demands.

Retno Artsanti
Head of Social Investment, Corporate Affairs, Indonesia

Working with Japfa has been an incredible journey for me as an environmentalist. Here, I can freely express my ideas on green business, sustainability, and occupational health and safety. The support and commitment from our top management to transform Japfa into one of the best green companies in the agroindustry sector inspires me to become more productive. I hope to create with Japfa a better future for the next generation.

Irman Ruhimat Syam
Sustainability Initiatives Manager, Corporate HR, Indonesia

I value working in Japfa for the impact we can have on our communities and the sense of purpose. Employees find fulfillment in contributing to the Company's mission, making a positive impact on society through their work at Japfa.

Md. Parves Alam
Senior Storekeeper, Feed, Bangladesh"

SUSTAINABILITY

Food plays an important role in our lives and food insecurity manifests itself in distinct ways across different countries and income bands. In Singapore, an example of food insecurity is the absence of fresh chicken for chicken rice. In emerging economies, food insecurity can mean whether there is enough food for the family tomorrow.

According to the Food and Agriculture Organization (FAO), over 3.1 billion people are unable to access a nutritious diet due to affordability constraints[1]. Among them, almost 1.3 billion people live in the countries where we produce food for domestic consumption, namely Indonesia, Vietnam, Myanmar, India and Bangladesh ("Japfa Emerging Asia").

Today, food insecurity is exacerbated by the rising costs of a balanced and healthy diet due to ongoing global challenges. In 2023, the global agri-food industry grappled with issues like unpredictable weather and geopolitical tensions that disrupted the global food supply chain. Social conflicts and rising energy costs heightened uncertainty to the already difficult task of ensuring food supply to all. In Japfa Emerging Asia markets, the cost-of-living pressures reduced demand for protein staples, requiring Japfa to adapt its operations while maintaining its focus on feeding millions of people with affordable proteins. Consumer preferences and evolving regulations also add to the equation and emphasise the need for sustainable and ethical practices within the agri-food industry.

"More, Please"

Against this backdrop, Japfa's commitment to sustainability resonates even more with our purpose of *Feeding Emerging Asia* and helps us balance meeting food demand with limited resources. The theme of this year's sustainability report, "More, please", reflects our mission to ensure food security in the region, in line with the United Nations Sustainable Development Goals (SDGs) #2 – Zero Hunger: to end hunger, achieve food security, improve nutrition and promote sustainable agriculture. Through an efficient production system, we aim to reduce waste, mitigate carbon emissions and enhance food availability within emerging Asia.

We provide below a summary of the main initiatives and achievements of 2023.

ENVIRONMENTAL RESPONSIBILITIES

Japfa's sustainability action plans

In 2023, we made further progress on our sustainability targets by establishing action plans. Focus group discussions were held with business and operational leaders across Japfa to identify suitable initiatives and programmes.

ROADMAP TO OUR ACTION PLANS:

1. Identify existing initiative from Operations with potential reduction of GWP
2. Develop inititiatives into LCA scenario model
3. Identify optimum scenarios based on LCA model
4. Focus Group Discussion with Business Units/ Operations on initiatives

COMPLETED IN 2023

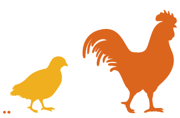
5. Adjust scenarios and initatives with local operational condition

PLANNED FOR 2024

6. Develop standard operating procedures
7. Implementation Plan

PLANNED FOR 2024

8. Performance Tracking
9. Monitoring & Evaluation through internal Audit
10. External Assurance



Notes:
GWP: Global Warming Potential LCA: Life Cycle Assessment

[1] Food and Agriculture of the United Nations. (2023). The state of food security and nutrition in the world. Food and Agriculture Organization (FAO). Available: https://www.fao.org/documents/card/en?details=cc3017en

Enhancing our Japfa Sustainability Reporting System ("JSRS")
In 2023, further developments were made to the JSRS, our in-house data collection system, in an effort to establish a reliable digital database with analytics that will provide tools for impact assessment and decision-making, to support the implementation of our sustainability initiatives.

Embedding sustainability into Capital Commitment
In 2023, we refined the Capital Commitment system to better monitor capital investments and expenditures linked to our sustainability initiatives. The sustainability-related investments and expenses are categorised according to the three Japfa Sustainability Pillars to better monitor and control capital allocation and application of funds.

Constructing more water recycling facilities
In 2023, we completed three more water recycling facilities, namely at our Magelang, Medan and Boyolali slaughterhouses, within our commitment under the Sustainability-Linked Bond ("SLB") issued by PT Japfa Tbk in 2021. To-date, we have completed eight recycling facilities and are on track to meet the SLB target of building nine water recycling facilities by 31 December 2024.

Initiated a Life Cycle Assessment (LCA) for swine operations in Vietnam
We took further steps in broadening the measurement of our environmental footprint by initiating an LCA of our swine operations in Vietnam. In 2023, we completed data collection, interviews, and inventory report, and we expect to have the impact assessment results and highlights on key hotspots by this year. This assessment will help in finding effective ways to improve our impact.

Climate-risk disclosure (TCFD)
With effect from 2023, the Task Force on Climate-related Financial Disclosures (TCFD) is mandatory for agriculture companies listed on SGX. At Japfa, we committed to adopting the TCFD recommendations on climate-related disclosure since 2022.

In this 2023 Sustainability Report, TCFD commands a chapter of its own. In this section, we set out a roadmap towards achieving our sustainability targets and update on action plans and progress development over time. We have included the assessment on climate-related risks and opportunities over the short, medium and long term. These are guided by our sustainability pillars and aligned with the climate-related risk register approved by our Market Risk Committee.

Japfa's strategic approach encompasses ongoing initiatives designed to mitigate and adapt to the impact of climate change, reflecting our commitment to capturing current opportunities while remaining a resilient player in our industry.

SOCIAL INITIATIVES

Today, many around the world are struggling with inflationary pressures on basic living costs, with a shrinking disposable income, particularly in the low-income segment. This could mean less nutritious meals and sometimes, fewer meals each day. One area where Japfa makes a difference in many lives is through our flagship CSR programme – *Japfa for Kids*.

The *Japfa for Kids* initiatives aim at improving understanding and awareness among parents and teachers on the nutritional needs of primary school children, as well as the importance of a healthy and balance diet for their development. Hence, *Japfa for Kids* initiatives on nutrition and well-being are crucial in addressing inappropriate food choices that may lead to malnutrition, stunting and health issues in children.

In 2023, our *Japfa for Kids* programme was enhanced by changing how we engage with primary school students and teachers. We now focus on each individual school instead of a big student gathering of several schools, as in the past.

An essential improvement is the impact assessment that identifies potentially undernourished primary school children, and then provides a three-month structured programme, monitoring regularly each student's BMI until programme completion. This approach ensures a more targeted and effective intervention to improve the health and well-being of the children. In 2023, the *Japfa for Kids* intervention programme successfully lifted 1,311 students to well-nourished status from malnourished/undernourished.

To learn more about our comprehensive sustainability initiatives, please download our 2023 Sustainability Report available at our website **www.japfa.com** or at this link: **https://www.japfa.com/investors/report/sustainability-reports**

The report was prepared in accordance with the GRI Standards and the GRI's Sector Standards for Agriculture, Aquaculture, and Fishing.

BOARD OF DIRECTORS

TAN HWEE HUA @ LIM HWEE HUA
Independent Chairman

Mrs Lim Hwee Hua was appointed to the Board on 17 April 2023. She has extensive experience in both the public and private sectors. Mrs Lim was first elected to the Singapore Parliament in December 1996 and served till May 2011, last as Minister in the Prime Minister's Office, Singapore, and concurrently as Second Minister for Finance and for Transport. She held the distinction of being the first female full Minister to be appointed. Between 2002 and 2004, she was Deputy Speaker of Parliament and Chairman of the Public Accounts Committee.

Mrs Lim completed her junior college education at Raffles Institution, Singapore, before graduating with a Master/Bachelor of Arts (Honours) in Mathematics/Engineering from the University of Cambridge in 1981. In 1989, she obtained a Master of Business Administration, major in Finance, from the Anderson School of Management, University of California, Los Angeles.

Prior to joining the Singapore Cabinet, Mrs Lim enjoyed a varied career. She served as an Administrative Officer in the Ministries of Finance, Education and Law, reviewing public policies. In 1989, she joined the financial services sector – investment banking and management – at Swiss Bank Corporation (1989-1992) and Jardine Fleming (1992-2000). At Temasek Holdings (2000–2004), she served as Managing Director where she oversaw divestments, restructured companies and boards, initiated corporate stewardship moves and established strategic relations with key foreign counterparts (including China and Vietnam). She also sat on boards (including PSA, Keppel and Mapletree).

Post retirement from politics in 2011, Mrs Lim has been engaged in private equity (Tembusu Partners, Kohlberg Kravis Roberts), financial services (Asia Pacific Exchange and United Overseas Bank till April 2021), and sits on several multinational boards (Jardine Cycle & Carriage in Singapore, ReSustainability in India, JERA Co Ltd and Nippon Paint in Japan). She chaired the charity SIM People Development Fund (2021-2023) and had previously helped establish the ISCA Cares Fund, a charity targeted at accountancy students. Mrs Lim lectures at both the NUS Business School and the Lee Kuan Yew School of Public Policy. Between 2011 and 2014, she served on the Ernst & Young Global Advisory Council.

Mrs Lim has authored two publications - "*Government in Business – Friend or Foe*" (Straits Times Press, 2014), which was translated into Chinese, Portuguese and Spanish, and "*Government in Business – Leading or Lagging?*" (World Scientific Publishing, 2021).

TAN YONG NANG

Executive Director & Chief Executive Officer

Mr Tan was appointed Executive Director on 1 June 2009 and last re-elected on 17 April 2023. Concurrently, he has been the Group's Chief Executive Officer ("CEO") since 1 January 2014. As CEO, he is in charge of leading the development and execution of our long-term strategy, and responsible for all day-to-day management decisions.

Mr Tan joined our Group in 2007 as an assistant to the CEO and Chief Operating Officer ("COO") of Corporate Services before taking on the position of COO of our Group in 2011. He spearheaded the growth of our Group's operations in the region such as the expansion of our swine and dairy business segments, and had oversight of the management functions across our Group's businesses. Mr Tan is also involved in the management of our Group's financial liabilities and has assisted our Group in diversifying its financial relationships to include regional and international banking organisations.

Mr Tan started his career as a statistician at the Department of Statistics, Singapore and went on to become a research economist with Singapore's Ministry of Trade and Industry. He joined the Prudential Group in 1988 as an investment analyst based in Hong Kong and the USA. From 1991 he worked for the PAMA Group Inc.'s group of companies ("PAMA Group"), becoming a partner of PAMA Group in 2001. He was involved in setting up several equity funds of the PAMA Group and handling the funds' investment portfolio in Southeast Asia. He was also an Investment Committee member of PAMA Group. In 2003, Mr Tan joined Delifrance Asia Ltd as its CEO, and in 2005, he joined Li & Fung Group as its Project Director and COO.

Mr Tan graduated with a Bachelor of Arts (Economics) degree from the University of Cambridge, UK in 1983. He was also registered as a Chartered Financial Analyst with The Institute of Chartered Financial Analysts, USA in 1992.

BOARD OF DIRECTORS

KEVIN JOHN MONTEIRO
Executive Director & Chief Financial Officer

Mr Monteiro was appointed Executive Director on 16 April 2014 and last re-elected on 17 April 2023. He is also our Chief Financial Officer responsible for developing a balanced capital structure, to source for adequate funding for our Group, and to ensure the integrity of the Group's financial data. He has oversight over all the financial operations of our Group.

Mr Monteiro was previously the Head of Corporate Finance of our subsidiary, PT Japfa Comfeed Indonesia Tbk and has longstanding experience of working in the agri-food industry, having joined PT Japfa Comfeed Indonesia Tbk in 1999. His responsibilities in this position included overseeing the Company's capital structure and managing equity-related matters such as investor relations, annual reports and IDX-compliance.

Prior to joining PT Japfa Comfeed Indonesia Tbk, Mr Monteiro was a financial advisor to another IDX-listed company between 1995 and 1999. Between 1985 and 1995, Mr Monteiro practised as a chartered accountant, first as a sole practitioner, and later as a partner of Callaway & Hecht in Melbourne. Whilst in practice, Mr Monteiro was a registered tax agent and registered company auditor in Australia.

Mr Monteiro obtained a Bachelor of Economics degree from Monash University, Australia in 1979 and has been a member of the Institute of Chartered Accountants in Australia since 1982.

Mr Monteiro is a member of the Asia Pacific Chapter of the Accounting for Sustainability (A4S) Chief Financial Officers Leadership. Mr Monteiro represents Japfa Ltd as founding member of SGListCos Ltd ("SGListCos"), an association that represents all SGX listed companies, where he sits on its ESG Advisory Panel. Mr Monteiro is SGListCos representative on the Sustainability Reporting Advisory Committee which advises on the sustainability reporting roadmap for Singapore-incorporated companies.

RENALDO SANTOSA
Executive Director and Head of Strategic Projects

Mr Santosa was appointed as an Alternate Director from April 2021 to September 2022, before being appointed as an Executive Director from December 2022. He was last re-elected on 17 April 2023. Mr Santosa also holds the position of President Director, PT Japfa Comfeed Indonesia Tbk since April 2023 and concurrently holds the position of Head of Strategic Projects at Japfa Ltd, where he is responsible for identifying and developing strategic projects for the Group and ensuring that the projects are aligned with the Group's strategic directions and objectives.

Mr Santosa started his career with the Japfa group in September 2011 as Business Development Executive immediately after his graduation. Over the years, he was promoted to the position of Head of Business Development & Strategy in 2017 and to his current role in 2022. Mr Renaldo Santosa was also appointed as a Director in Annona Pte Ltd, a subsidiary of Japfa Ltd, in 2022.

Mr Santosa obtained a Bachelor of Science (Second Class Honours) in Food Science with Business from the University of Reading, UK, in 2011.

HENDRICK KOLONAS

Non-Executive Director

Mr Kolonas was appointed to our Board on 18 February 2013 and last re-elected on 17 April 2023.

Mr Kolonas joined our Group in 2012 as Vice-President Commissioner of our subsidiary, PT Japfa Comfeed Indonesia Tbk. Prior to joining our Group, he joined Bank Dagang Nasional Indonesia from 1983 to 1988, organising and managing various departments within the bank. Mr Kolonas has also served on the board of Bank Tiara Asia, where he was President Director from 1989 to 1997 and Vice-President Commissioner from 1997 to 1998. Mr Kolonas founded PT Celebes Artha Ventura in 1996 and spearheaded investments into various financial services businesses. He has been the President Commissioner of PT Celebes Artha Ventura from 2010 to 2022.

Mr Kolonas graduated from Middlesex University, UK, in 1982 with a Bachelor of Arts (Hons), degree in Accounting and Finance. He also has a Master's degree in Business Administration from Schiller International University, UK and a Master of Arts degree in Banking Administration from University of Hull, UK, which he attained in 1983 and 1989, respectively.

MANU BHASKARAN

Independent Director

Mr Bhaskaran was appointed to our Board on 18 April 2019 and last re-elected on 17 April 2023.

He is currently a Partner of the Centennial Group where he is also founding CEO of its Singapore subsidiary, Centennial Asia Advisors, responsible for its Asian business. Mr Bhaskaran is also Adjunct Senior Research Fellow at the Institute of Policy Studies.

From 1989 to 2001, Mr Bhaskaran was with Société Générale's Asian investment banking division where he supervised Asian economic and investment strategy, and was also a member of the Executive Committee. From 1982 to 1989, Mr Bhaskaran worked for the Singapore government, supervising a team that prepared strategic political and economic assessments of Asia for senior Singapore government officials. Mr Bhaskaran served as Chairman of a high-level government committee that reviewed the regulation of moneylenders in Singapore in 2014 and 2015. He is also a Member of the Regional Advisory Board for Asia of the International Monetary Fund; Council Member in Singapore Institute of International Affairs (SIIA); and, Council Member, Economics Society of Singapore. He currently serves on the boards of CIMB Investment Bank, Luminor Capital and NIKS Professional Ltd.

Mr Bhaskaran graduated with an honours degree in Economics from Magdalene College, Cambridge University in 1980 and obtained a Master in Public Administration from John F Kennedy School of Government at Harvard University in 1987. He is also a Chartered Financial Analyst.

BOARD OF DIRECTORS

TAN KIAN CHEW
Independent Director

Mr Tan Kian Chew was appointed to the Board on 18 April 2019 and last re-elected on 17 April 2023.

Mr Tan is currently the Chairman of Central Cooperative Fund Committee, MCCY. He is also a Non-Executive Director and an Advisor of PSC Corporation Ltd and an Advisor to Incofood Management Services Pte Ltd.

Mr Tan served in the Republic of Singapore's Navy from 1975 to 1983. He was the Head of Naval Operations when he left to join Singapore Government's elite Administrative Service and was posted to the Ministry of Trade and Industry. In 1988, he was posted to the Prime Minister's Office where he served as the Principal Private Secretary to the Deputy Prime Minister. In 1992, Mr Tan joined NTUC FairPrice as its Assistant General Manager. He was appointed as CEO in 1997 and held the position for 18 years until he left in 2016. Mr Tan joined Singapore Labour Foundation as its CEO in January 2016 and retired in December 2018.

Mr Tan was awarded a SAF (Overseas) Scholarship in 1972. He graduated with a degree (First Class Honours) in Mechanical Engineering from the University of Aston in Birmingham, UK in 1975. He also completed an Advance Management Programme from Harvard University in 2000. In 1991, he was awarded the Singapore Public Administration Medal (Silver) and in 2014, he received the NTUC May Day Award – Medal of Commendation (Gold).

CHIA WEE BOON
Independent Director

Mr Chia was appointed to our Board on 1 January 2021 and last re-elected on 17 April 2023.

Mr Chia joined Hewlett-Packard Singapore in 1982 as a Systems Engineer and last held the position of a Senior Vice President, Global Strategic Alliance with HewlettPackard, Palo Alto, California in 2009. He joined NCS Pte Ltd ("NCS"), a subsidiary of Singapore Telecommunications Limited ("SingTel") as Chief Operating Officer in June 2009 and was appointed Chief Executive Officer on 1 July 2010. He served as an advisor for SingTel Group Strategy, following his retirement from NCS in 2019.

Mr Chia had served on various national Committees such as the Singapore Police Association for National Servicemen, the Civil Defence Association for National Servicemen and the National Institute of Education Council. He was a Member of the NUS Institute of Systems Science Board and currently sits on the Board of the Singapore Institute of Management and the Nanyang Academy Fine Arts.

Mr Chia graduated with a degree (First Class Honours) in Computing Studies with the University of East Anglia, Norwich, UK in 1981 and attained a Master degree in Management Science from Imperial College, London UK in 1982. He completed the General Managers Programme from Harvard Business School, USA, in 1999 and the Directorship Programme from SIDSMU, Singapore, in 2020.

SENIOR MANAGEMENT

ANTONIUS HARWANTO

Chief Operating Officer,
Poultry Indonesia

Mr Harwanto oversees the entire poultry operations, including feed, breeding and commercial aspects. He is also responsible for establishing corporate objectives and strategic plans for our poultry operations in Indonesia.

Mr Harwanto has been with PT Japfa Comfeed Indonesia Tbk since 1979. From 1979 to 1999, he held various positions in transportation, sales and marketing and served as the unit head of Cikupa, Cirebon and Sidoarjo, respectively. In addition, Mr Harwanto has been serving as a Director of PT Indojaya Agrinusa since 1995. From 1999 to 2012, he was the Commissioner of PT Multibreeder Adirama Indonesia Tbk. Concurrently, he served as a Director of PT Multiphala Agrinusa from 2001 to 2008, and was subsequently appointed to its President Director from 2008 until 2010.

Between 2003 and 2017, Mr Harwanto was Head of Feed Division, before he was promoted from Deputy Chief Operating Officer, Poultry Indonesia to his current position. Mr Harwanto graduated from the 17 August 1945 University in Surabaya, Indonesia, with an Economics degree in 1986.

CHRISTINA CHUA SOOK PING

Head of Legal and Compliance

Ms Chua oversees all legal, compliance and secretarial functions of our Group's operations. She joined our Group in 2010.

Ms Chua has more than 30 years of experience in legal practice. She joined Drew & Napier LLC in 1990 and later joined Rajah & Tann LLP in 2007. During her time in practice, Ms Chua was a partner in the corporate and tax departments of both firms and was recommended in the 2003/2004, 2004/2005 and 2006/2007 editions of The Asia Pacific Legal 500 for Mergers & Acquisitions with a technology specialisation, for her role in advising in the Bharti Changi Consortium in respect of the modernisation and restructuring of the Mumbai and Delhi airports and as a leading individual, respectively.

She was also named in both Who's Who – Legal (Singapore) for Mergers & Acquisitions and the International Tax Review 2004 as a leading tax practitioner in Singapore. She was highly recommended for tax (particularly infrastructure and cross border) transactions in PLC Which Lawyer? Yearbook Singapore 2008/2009 edition and was also named as a highly recommended tax lawyer in PLC Tax on Transactions Handbook 2009/2010 edition. Ms Chua graduated with a Bachelor of Laws (Honors) degree from the National University of Singapore in 1989 and was admitted as an advocate and solicitor of the Supreme Court of the Republic of Singapore in 1989. She has been a member of both the Law Society of Singapore and the Singapore Academy of Law since 1990.

ARIF WIDJAJA

Country Head, Japfa Comfeed Vietnam Limited Company[1]

Mr Widjaja was appointed Co-Country Head of Japfa Comfeed Vietnam Limited Company in 2017 and subsequently became the Country Head of Japfa Comfeed Vietnam Limited Company in 2021. Mr Widjaja started his career with the Group in 1989 as an Overseas Coordinator, managing the logistics and trading of the Edible Oil Division at Nilam in Indonesia.

He subsequently joined the procurement department of PT Japfa Comfeed Indonesia Tbk as Assistant to Head of Procurement Feed Division before his promotion to Head of Procurement for the Group – a position which he held for 18 years, from 1999 to 2017.

Mr Widjaja holds a Master of Business Administration degree from the University of Portland, Oregon, USA.

1 Mr Widjaja assumed the role of Deputy Chief Operating Officer, Poultry Indonesia on 1 January 2024.

SENIOR MANAGEMENT

TAN HO LIAT (CLEMENS)

Commercial Director,
South Asia and Indochina[2]

Mr Tan joined the Group in 2020 as Commercial Director, South Asia and Indochina, responsible for overseeing the profit performance of our operations in Vietnam, Myanmar, India and Bangladesh, and has direct oversight over the day-to-day operations.

Mr Tan has been in the agriculture industry for nearly 30 years, working in Cargill. He started as an Aquaculture Technical Sales Specialist where he managed a sales team and was responsible for the sales volume and revenue. In 1997, he moved on to Desa Cargill in Sabah and established their Brunei office in the feed business. In 2003, he was appointed as the Poultry & Swine Group Manager, West Malaysia. In 2006, he become the Managing Director of Cargill, Indonesia. He was posted to China in 2011 as the Managing Director for Shandong and Northwest China where he led the team to win CAN's global Business of the Year award. Mr Tan assumed the role as Group Director of four regions in China and Malaysia; followed by Managing Director for their "One China" that combined seven regions into one, including Taiwan business.

Mr Tan obtained a Bachelor of Fisheries Sciences (Aquaculture) from the University Pertanian Malaysia.

[2] Mr Tan assumed the role of Acting Country Head, Japfa Comfeed Vietnam Limited Company on 1 January 2024.

GABRIELLA SANTOSA

Head of Business Development[3]

Ms Santosa is responsible for the expansion of Japfa's network and partnership mainly in animal health, digital and biological technology solutions, and drives cross-divisional initiatives. In addition, she explores and evaluates new venture potential in both new growth areas and existing operations and focus resources to support technological efficiencies and innovation in current operational process.

Ms Santosa also holds the position as Deputy Head of Animal Health and Livestock Equipment since 2017, where she is responsible for improving processes and systems within the business and key expansion initiatives into new products, markets and technologies.

She joined Japfa Ltd as a Business Executive in 2016 and was promoted as Head of Business Development & Strategy in August 2022.

Ms Santosa completed her Bachelor of Science in Biochemistry with a year in Industry from the Imperial College London, UK, in 2016. She was selected as Forbes 30 under 30 (Europe 2019) under Manufacturing and Industry stream as Co-founder of Puraffinity, a deep tech start-up that has accumulated over $17 million in funding. This venture has also recognised her as a 2016 finalist for the Innovate UK 'Women in Innovation' grant, and author and owner of papers and patents in the biomaterials space.

[3] Ms Santosa was appointed as Head of Projects in PT Japfa Comfeed Indonesia Tbk in March 2024.

CORPORATE GOVERNANCE

Japfa Ltd ("Japfa" or the "Company", and together with its subsidiaries, the "Group") is committed to maintaining good corporate governance and business integrity in the Group's business activities, so as to deliver long-term and sustained value for its stakeholders.

This report lists out Japfa's corporate governance framework, with specific reference to the principles of the revised Code of Corporate Governance 2018 ("2018 Code") issued by the Monetary Authority of Singapore on 6 August 2018.

Japfa has complied in all core Principles of the 2018 Code, and will regularly review its governance policies and practices to track developments in market best practices and regulations.

Principle 1: The Board of Director's (the "Board") Conduct of Affairs

The Company is headed by an effective Board which is collectively responsible and works with the Management for the long-term success of the company

The principal functions of the Board are to:
- Supervise the management of the business and affairs of the Company;
- Approve the Group's strategic plans, major investments, disposals and funding decisions;
- Identify the Group's business risks;
- Review on the implementation of appropriate systems to manage identified risks;
- Monitor and review the Group's financial performance; and
- Review Management's performance.

To assist in the execution of its responsibilities, the Board is supported by the Executive Director Committee ("Exco"), the Nominating Committee ("NC"), the Remuneration Committee ("RC"), and the Audit and Risk Committee ("ARC"). Each Board Committee has clear terms of reference of its duties, responsibilities and authority.

The Board will meet at least four times a year to consider and resolve major financial and business matters of the Group. Where necessary, informal meetings will be held to deliberate on various issues. Between scheduled meetings, material matters which exceed the authority conferred on the Exco are put to the Board for its decision by way of circular resolution.

Management of the day-to-day operations and the implementation of internal control systems is delegated to the Exco comprising the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO") and the Head of Strategic Projects of the Company. The Exco operates under a set of authority matrix as set by the Board and the CEO periodically reports to the entire Board on material decisions and actions taken by the Exco in the previous quarter, or that are foreseen for the next quarter.

Material transactions requiring Board's approval include material corporate restructuring, joint venture, merger and acquisition, debt or capital market transaction, change of the Company's constitutional documents and commencement of any material litigation by the Company. Directors will disclose and abstain from discussing and voting on any transaction in which they or their associate, directly or indirectly, have a personal interest.

All members of the Board have separate and independent access to the Company's senior management and the Company Secretaries at all times.

Prior to Board meetings, all Directors are provided with Board's papers so that the Directors have complete, adequate, and timely information to enable them to be adequately prepared for the meeting.

Directors are also informed on a regular basis as and when there are any significant developments or events relating to the Group's business operations.

Generally, a Company Secretary attends all Board and Board Committee meetings and is responsible for, among other things, ensuring that Board procedures are observed and that applicable rules and regulations are complied with and is also responsible for advising the Board on all matters relating to corporate governance. The appointment and the removal of a Company Secretary is a matter for the Board as a whole.

The Board takes independent professional advice as and when necessary to enable it or the Independent Directors to discharge their responsibilities effectively and such costs are borne by the Company.

Our Directors generally keep themselves updated on new laws and regulations as well as changes in the industry and general economic environment. The Company also engages external lawyers to brief the Board on material changes to their statutory duties and to update them on material changes in laws and regulations. External seminars and conferences are arranged for the Directors when appropriate. All Directors completed a Listed Entity Director Programme-Environmental, Social and Governance Essentials conducted by Singapore Institute of Directors in 2022.

New Directors joining the Company will receive a letter of appointment and briefing notes to inform and remind the Director(s) of his/her duties and obligations as a member of the Board, the Constitution of the Company and the terms of reference of each Board Committees. To help new Directors to familiarize themselves with the Group's operations, they will be given an orientation (which includes site visits to relevant operating subsidiaries) by the Executive Directors and senior management.

Attendance of Board and Committee meetings in FY2023

Name	Board Meetings	Audit &Risk Committee ("ARC") Meeting	Nominating Committee ("NC") Meetings	Remuneration Committee ("RC") Meetings
Number of meetings held in 2023	5	4	2	3
Name of Directors	**Number of meetings attended**			
Tan Hwee Hua@ Lim Hwee Hua	4 4 meetings held post to appointment	1^	1 (Current NC Chairman) 1 meeting held post change in Committee composition	1^
Tan Yong Nang	5	4	1^	NA
Kevin John Monteiro	5	4	NA	NA
Renaldo Santosa	5	2^	1 (Current Member) 1 meeting held post to change in Committee composition	NA
Tan Kian Chew	5	4	1 (Current Member) 1 meeting held post change in Committee composition	1 (Previous RC Member) 1 meeting held prior to change in Committee composition
Manu Bhaskaran	5	4	1 (Previous NC Chairman) 1 meeting held prior to change in Committee composition	2 (Current Chairman) 2 meetings held post change in Committee composition
Chia Wee Boon	4	3	NA	3
Hendrick Kolonas	5	2^	NA	2 (Current Member) 2 meetings held post change in Committee composition

Name	Board Meetings	Audit &Risk Committee ("ARC") Meeting	Nominating Committee ("NC") Meetings	Remuneration Committee ("RC") Meetings
Name of Directors	**Number of meetings attended**			
Ng Quek Peng *	1 1 meeting held prior to retirement	1 1 meeting held prior to retirement	1 (Previous NC Member) 1 meeting held prior to retirement	NA
Lien Siaou-Sze *	1 1 held meeting prior to retirement	1 1 meeting held prior to retirement	1 (Previous NC Member) 1 meeting held prior to retirement	1 (Previous RC Chairman) 1 meeting held prior to retirement

^ *By invitation*

* *Retired as Director on 17 April 2023*

Principle 2: Board Composition And Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interest of the company.

As at the date of this Annual Report, the Board comprises Eight Directors, four of whom (including the Chairman) are Independent Directors. Non-Executive Directors make up a majority of the Board as required under guideline 2.3 of the 2018 Code.

The nature of the Directors' appointments and committee memberships following the FY2023 AGM held on 17 April 2023 is set out below:

Name	Date of Appointment	Date of re-election	Board Membership	Audit &Risk Committee	Remuneration Committee	Nominating Committee
Tan Hwee Hua@ Lim Hwee Hua	17 April 2023	N.A.	Chairman Independent Director	–	–	Chairman
Tan Yong Nang	1 June 2009	17 April 2023	Executive Director	–	–	–
Kevin John Monteiro	16 April 2014	17 April 2023	Executive Director	–	–	–
Renaldo Santosa	1 December 2022	17 April 2023	Executive Director	–	–	Member
Tan Kian Chew	18 April 2019	17 April 2023	Independent Director	Chairman	–	Member
Manu Bhaskaran	18 April 2019	17 April 2023	Independent Director	Member	Chairman	–
Chia Wee Boon	1 January 2021	17 April 2023	Independent Director	Member	Member	–
Hendrick Kolonas	18 February 2013	17 April 2023	Non-Executive Director	–	Member	–

Japfa adopts a principle of "diversity from Inclusivity" where we value merit regardless of gender, age, race, religion or social and cultural backgrounds. We select the best person based on competency and alignment with our mission, vision and values. As demonstrated in the biographical notes in the Annual Report, the current Board includes members with diverse gender, age, race and cultural backgrounds across a wide range of industries, with rich experience in the fields of banking, finance, technology, distribution and agri-food.

CORPORATE GOVERNANCE

As the Board has since the Company listing in 2014, comprised of members with a rich diversity, professional knowledge and competencies, listing rule 710A(2) which requires the Company to disclose its targets, plan and timeline to achieve Board diversity is not applicable.

The Composition of the Board and its committees and independence of each Director are assessed and reviewed annually by the NC. In FY2023, NC adopted the Singapore Institute of Directors (SID) Director Competency Model set out in the Accreditation Framework for Company Directors to identify the competence and skills gap (if any) which requires to be filled.

In its deliberation on the independence of a Director, the NC took into account the guidelines set out in the 2018 Code and considered whether a Director has business relationships with the Group, its substantial shareholders and/ or officers of the Company.

The NC assessed and was satisfied that the Independent Directors which it recommended to stand for re-election at the forthcoming 2024 AGM are independent in conduct, character and judgement and each of the Independent Directors has no relationship with the Company, its related corporations, substantial shareholders or the officers of the Company that could interfere and were able to exercise independent judgement in the best interests of the company.

The Company believes that its Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company

Principle 3: Chairman and CEO

There is a clear division of responsibilities between the leadership of the Board and the Management, and no individual has unfettered powers of decision-making.

The Chairman and the CEO of the Company are separate persons and are not related to each other.

The Chairman is an Independent Director while the CEO is an Executive Director.

The roles of the Chairman and the CEO are kept separate and the division of responsibilities between them are set out in writing.

The Chairman is primarily responsible for the workings of the Board. She leads the Board in its discussions and deliberation, facilitates effective contribution by Directors and exercises control over the timeliness of information flow between the Board and the Management.

The CEO is in charge of leading the development and execution of long-term strategy. He implements the decision of the Board and is responsible for all day to-day operation of the Company.

Principle 4: Board Membership

The Board has a formal and transparent process for the appointment and reappointment of the Directors, taking into account the need for progressive renewal of the Board.

Principle 5: Board Performance

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board committees and individual Directors.

NC Composition and Role

The NC comprises of three Directors, the majority of whom, including the NC Chairman, are Independent Directors.

Please refer to the Board Composition Table for the names and composition of the NC.

The NC is responsible for:

1. making recommendations to the Board on matters relating to:
   (i) the review of succession plans for Directors, in particular, the Chairman of the Board, the Chief Executive Officer and Key Executives;
   (ii) the process and criteria for evaluation of the performance of the Board, Board committees and Directors;
   (iii) the review of training and professional development programs for Directors; and
   (iv) the appointment and re-appointment of Directors (including alternate Directors, if any);

2. making a determination annually and whenever circumstances require, whether a Director is independent, in accordance with the Code of Corporate Governance 2018 and any other salient factors;

3. ensuring that new Directors are aware of their duties and obligations;

4. determining whether a Director is able to and has been adequately carrying out his or her duties as a director of the company; and where a Director holds a significant number of other directorships and commitments, determining whether that Director is able to diligently discharge his duties;

5. reviewing the composition of the Board annually to ensure that the Board and its committees are of an appropriate size, and comprise Directors who as a group provide an appropriate balance and mix of skills, knowledge, experience and other aspects of diversity such as gender and age, so as to avoid group-think, and so as to foster constructive debate;

6. making recommendations for the Board's approval, the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Chairman and each individual Director.

Process for selection and appointment of new Directors

Potential candidates are sourced through a variety of channels, for example, recommendations from financial institution, business/industry contacts, network of board members or professional search firms (if required).

The CEO will meet up with the potential candidates before recommending the candidates for consideration by the NC.

During the selection process, the NC will take into consideration, among others,
(i) the current composition of the Board;
(ii) the position vacated or new position to be filled;
(iii) qualifications and experience of the candidates.

The NC Chairman reports to the Board on its recommendation of candidates and the Board will consider and, if thought fit, approves nominated Director candidate(s). If timing permits, the Board will recommend for the candidate(s) to stand in for election as Director(s) by the Shareholders at the Annual General Meeting ("AGM").

Evaluation and Re-appointment of Directors

Individual Directors and Board evaluate their effectiveness by completing an evaluation questionnaire that include topics such as Individual Director's Competencies, Board Structure, Strategy and Performance, Risk Management and Internal Control, Information to Board and Shareholders, Board Functions and Standards of Conduct, Preparation and participation in Board/Committee meetings. The evaluation results are compiled by the NC and tabled for review by the Board collectively.

All Directors will retire from office at the AGM and will submit themselves for re-nomination and re-election each year.

The NC will examine the conduct of the Board of Directors (individually and collectively) for the past year and the board size, knowledge and experience of existing directors while keeping in check, the listing rule and 2018 Code diversity requirement (including but not limited gender and age diversity) before recommending the Directors to stand for re-election and/or retirement at the AGM.

The NC is of the view that the existing Directors have discharged their duties well. Their collective experience and knowledge continue to contribute to the Company and there is no skill set competency which needs to be filled at the Board.

The NC is satisfied that each of the Independent Directors is independent in character and judgement and there are no relationships or circumstances which could adversely affect the Independent Directors' judgement.

In view of the above, the NC recommended that all Directors be nominated to stand for re-election at the 2024 AGM.

Principle 6: Procedures for Developing Remuneration Policies

The Board has a formal and transparent procedure for developing policies on Director and Executive's remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Principle 7: Level and Mix of Remuneration

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Principle 8: Disclosure on Remuneration

The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation

RC Composition and Role

The RC comprises three Directors, all of whom, including the RC Chairman, are Independent Directors.

Please refer to the Board Composition Table for the names and composition of the RC.

The RC is responsible for:

1. reviewing and making recommendations to the Board on the framework of remuneration of the Board and Key Executives;
2. reviewing and making recommendations to the Board on the specific remuneration packages for each Director and Key Executives;
3. considering all aspects of remuneration including termination terms to ensure they are fair;
4. reviewing and approving the design of all long-term equity-based incentive plans of the Company and its un-listed principal subsidiaries;

In discharging its responsibilities, the RC shall take into account the principles set out in the Corporate Governance code relating to the remuneration of the Board and the Key Executives:

(a) the level and structure of remuneration of the Executive Directors and Key Executives should be appropriate and proportionate to the sustained performance and value creation of the Group, taking into account the strategic objectives of the Group;

(b) a significant and appropriate proportion of the Executive Directors and Key Executives remuneration should be structured so as to link rewards to corporate and individual performance. Performance-related remuneration should be aligned with the interests of shareholders and other stakeholders and promote the long-term success of the Group;

(c) Remuneration should be appropriate to attract, retain and motivate Directors to provide good stewardship to the Company and Key Executives to successfully manage the Group for the long term.

Executive Directors are employees of the Company and do not receive Directors' fee.

Remuneration Framework and Pay Philosophy

The remuneration framework is designed to support the implementation of the Company's strategy and to enhance shareholder value. The Company's Pay Philosophy is based on the following principles:

- Performance-driven – The remuneration supports a pay-for-performance mindset, ensuring that targets are appropriately set and short-term incentives are based on the achievement of these performance factors.
- Forward-looking – Long-term incentive plans also measure performance over a multi-year forward looking period, ensuring that our near-term actions are built on continuity and sustainability.
- Competitive – Each remuneration component is benchmarked accordingly against the respective marketplace, ensuring that the we continue to attract and retain the best.

In reviewing the remuneration package of the Key Executives, the RC, with the assistance of Human Resources and external consultants engaged by the Company, considers the level of remuneration based on the Company's remuneration policy which comprises of the following distinct objectives:

- to reward employees for achieving corporate and individual performance targets in a fair and equitable way; and
- to ensure that the remuneration reflects employees' duties and responsibilities.

Particularly for Key Executives, the Company places importance on a long-term incentive plan to encourage Key Executives to adopt a balanced focus between achievement of short and long-term results.

When determining the fixed and variable component for a Key Executive, the Key Executive's individual performance is taken into consideration and remuneration recommendations are reviewed based on competitive market practices and information gathered from market surveys. As the Company has operations spread over a few countries, the remuneration is benchmarked against comparable companies in the region. This is further reviewed along with the Group's and individual performance, taking into consideration specific key performance indicators tracked over time. The Company exercises its discretion and independent judgment in ensuring that the amount and mix of compensation are aligned with the interests of shareholders and to ensure the long-term success of the Company. The current pay level and mix for CEO is approved by the RC was designed by Mercer Singapore.

Directors' Remuneration

Shareholders approved the payment of FY2023 up to Q12024 Directors' fees at the Annual General Meeting held on 17 April 2023 ("2023 AGM").

Fee Structure for Non-Executive Directors

Appointment	(S$ Per Annum)
Board Chairman	145,000
Board Member	95,000
Audit & Risk Committee Chairman	25,000
Remuneration Committee Chairman	20,000
Nominating Committee Chairman	20,000
Lead Independent Director	12,000
Committee Member	15,000

The breakdown of Directors' remuneration for FY2023 is set out below:

Name of Directors	Directors' Fees	Salary[1 2]	Allowances/ Benefits	Cash Bonus/ Cash-based Incentive	Equity-based Incentive	Total (rounded)
	%					S$ '000
Executive Directors						
Mr Renaldo Santosa [4]	–	50%	1%	49%	–	3,089
Mr Tan Yong Nang [3 4]	–	25%	1%	74%	–	2,715
Mr Kevin John Monteiro	–	84%	16%	–	–	913
Non-Executive Director						
Mr Hendrick Kolonas [4]	6%	62%	–	32%	–	1,660
Independent Directors						
Mr Tan Kian Chew	100%	–	–	–	–	131
Mr Manu Bhaskaran	100%	–	–	–	–	128
Mrs Lim Hwee Hua [5]	100%	–	–	–	–	124
Mr Chia Wee Boon	100%	–	–	–	–	124
Mr Ng Quek Peng [6]	100%	–	–	–	–	38
Ms Lien Siaou-Sze [6]	100%	–	–	–	–	34

1 *Salary includes CPF Contributions and AWS where applicable.*

2 *Salary includes directors fees where paid by a subsidiary of the Company.*

3 *Amounts disclosed do not include amounts paid to Mr Tan by AustAsia Group following the 2022 Distribution in Specie of AAG shares to the Company's shareholders and AAG ceasing to be a subsidiary of the Group..*

4 *The total remuneration of Tan Yong Nang, Renaldo Santosa and Hendrick Kolonas include renumeration received from Group companies.*

5 *Pro-rated starting from AGM2023*

6 *Ng Quek Peng and Lien Siaou-Sze completed their nine years tenure as Independent Directors and retired on 17 April 2023.*

The breakdown of top 5 Key Executives' remuneration for FY2023 is set out below:

Name of Key Executives	Salary[1]	Allowances/ Benefits	Cash Bonus/ Cash-based Incentive	Equity-based Incentive
	%			
S$600,001 to S$850,000				
Mr Antonius Harwanto	70%	4%	26%	0%
Mr Tan Ho Liat (Clemens)	80%	17%	3%	0%
Mr Arif Widjaja	78%	19%	3%	0%
Ms Christina Chua Sook Ping	98%	2%	0%	0%
Ms Gabriella Santosa	70%	2%	28%	0%

1 *Salary includes CPF Contributions and AWS where applicable.*

	Total S$'000
Aggregate of total remuneration paid to top 5 Key Executives	**3,687**

Remuneration paid to employees who are Substantial Shareholders or an immediate family member of a Director or Substantial Shareholder of the Company for FY2023 is set out below:

Remuneration Bands/ Name of Employee	Relationship
S$600,001 to $700,000 Gabriella Santosa	Daughter of Substantial Shareholder, Farida Gustimego Santosa, Sister of Director, Renaldo Santosa and Substantial Shareholders, Mikael Santosa and Raffaela Santosa; Niece of Director, Hendrick Kolonas. Gabriella Santosa 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.
S$500,001 to $600,000 Aldrian Irvan Kolonas	Son of Director, Hendrick Kolonas and brother of Substantial Shareholder, Rachel Anastasia Kolonas.

Share Based Incentives

Japfa Performance Share Plan ("Japfa Ltd PSP")

The Japfa Ltd PSP has been in effect since 23 July 2014 and is administered by the RC of the Company.

For a summary of the Japfa Ltd PSP, please refer to Note 27C of the financial statements.

No Share Awards were granted in FY2023.

Performance Share Awards granted to Directors and recipients of awards equal to 5% or more of the total awards available under the Japfa Ltd PSP are disclosed below:

		Share awards granted during financial year under review	Aggregate share awards granted since commencement of Japfa Ltd PSP to end of financial year under review[1 2]	Aggregate shares issued since commencement of Japfa Ltd PSP to end of financial year under review[2]	Aggregate share awards outstanding under the Japfa Ltd PSP as at end of financial year under review[1]
Directors	Tan Yong Nang	–	35,203,497	30,937,300	3,466,300
	Kevin John Monteiro	–	2,952,705	2,368,200	513,200
Participants who received awards during the financial year equal to 5% or more of the Japfa Ltd PSP	N.A.	N.A.	N.A.	N.A.	N.A.

1 *Based on 100% of the grant. Upon vesting, PSP FY2022 could range from 0% to 100%, depending on the level of achievement against pre-set performance conditions.*

2 *Share awards adjusted based on actual achievement levels and/or adjusted for changes to capital.*

PT Japfa Tbk Performance Share Plan

No award was granted to Directors during the financial year under the PT Japfa Tbk Performance Share Plan.

Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

Principle 10: Audit Committee

The Board has an Audit Committee which discharges its duties objectively.

ARC Composition and Role

The Audit and Risk Committee comprises of three Independent Directors. None of the ARC members are former partners or directors of the Company's existing auditing firm or auditing corporation.

Please refer to the Board Composition Table for the names and composition of the ARC.

The ARC is responsible for the following functions:

1. General: assisting the Board in discharging its statutory responsibilities for financing and accounting and risk governance matters;

2. Financing and Accounting:

   (a) reviewing significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

   (b) reviewing the CEO's and the CFO's assurances on the financial records and financial statements;

   (c) reviewing all announcements relating to the Company's financial performance.

3. External Audit:

   (a) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; (ii) the remuneration and terms of engagement of the external auditors;

   (b) reviewing the adequacy, effectiveness, independence, scope and results of the external audit.

4. Internal Audit:

   (a) approving the hiring, removal, evaluation and compensation of the head of the internal audit function or the accounting/auditing firm or corporation to which the internal audit function is outsourced;

   (b) reviewing at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;

   (c) reviewing to ensure that the internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience.

5. Risk: reviewing the nature and extent of risk which the Company is willing to take in achieving its strategic objectives and value creation by (a) reviewing the periodic report of the management's risk committee; and (b) reviewing the CEO's and the CFO's assurances on the adequacy and effectiveness of the Company's risk management and internal control systems.

6. Whistle-Blowing:

    (a) reviewing and ensuring that Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

    (b) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

7. Additional duties:

    (a) undertaking such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the ARC; and

    (b) undertaking generally such other functions and duties as may be required by law or the Listing Manual, and by amendments made thereto from time to time.

Board members who are not ARC members are invited by the ARC Chairman to attend the ARC meetings.

The ARC has access to the Partner-in-charge of the external auditors ("Audit Partner") and can contact the Audit Partner without the presence of the Management when required and provides feedback to the Board and/or Chairman as appropriate. In FY2023, the independent Directors, led by the lead independent Director, met amongst themselves and the Audit Partner at least once without the presence of the Management.

The ARC has reviewed the aggregate fees paid to the external auditors, and a breakdown of the fees paid for audit and non audit services provided by the auditors, and is of the opinion that the independence of the auditors have not been affected by the provision of the non-audit services.

The ARC noted that the appointment of the external auditors for the Company, its subsidiaries and associated companies are in compliance with Rules 712 and 715 of the SGX-ST Listing manual and recommended that Messrs Ernst & Young LLP be nominated for re-appointment as the external auditors at the forthcoming AGM.

Internal Controls

The Group's internal controls structure consists of the policies and procedures established, to provide reasonable assurance that the material risks in the Group are addressed. Business Units ("BU") Management have the primary responsibility for implementation and continuous improvement of their internal control system. Policies are established at the BU or corporate level, depending on the context of operations.

At the corporate level, the Systems and Procedure department and an Internal Control Manager assist the BUs to create the Standard Operating Procedures ("SOPs") for business processes. For some large BUs (in Indonesia, Vietnam and India), there is an in-house Internal Control function for design and implementation of the internal controls system.

Enterprise Risk Management ("ERM")

The ARC was tasked to assist the Board in its oversight of the effectiveness of Japfa ERM Framework. The Management Risk Committee, under the leadership of the CEO, spearheaded the documentation of Japfa's risk management activities, formalised the ERM Framework and its implementation. The Head of Internal Control monitors the Group Enterprise risks.

The CEO presents the operation and risk review to the Board at the quarterly Board meetings. CEO will seek Board's approval for projects or transactions which carries significant risks or are listed under Board Reserved Matters (e.g. Restructuring, Mergers & Acquisitions and significant borrowing) at the Board meetings.

Assurance from the CEO and CFO

In addition to the above, the Board has received assurance from the CEO and the CFO that:

(a) the financial records of the Group for FY2023 have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances in accordance with the applicable financial reporting framework and are free from material misstatement; and

(b) the system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks.

Opinion on Adequacy and Effectiveness of Internal Control and Risk Management Systems

The ARC is responsible for making the necessary recommendations to the Board to enable the Board to form an opinion regarding the adequacy and effectiveness of the risk management and internal control systems of the Group. The Management is responsible for assuring the Board as to the adequacy and effectiveness of the risk management systems and ensuring the quality and timeliness of information.

Based on the assurance received from the CEO and CFO and the work performed by the internal audit function, the Board on the nomination of the ARC, is of the opinion that the Group's internal controls including financial, operational, compliance and information technology controls, and risk management systems, are adequate and effective to meet the needs of the Group in its current business environment.

The Board notes that the system of internal controls maintained by the Management provides reasonable, but not absolute, assurance against material financial misstatements or loss, and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, the compliance with appropriate legislation, regulation and best practices, and the identification and containment of business risk. The Board further notes that no system of internal controls can provide absolute assurance against human errors including, without limitation, errors in judgment in the course of decision-making. In addition, no such controls can provide absolute protection against fraud or similar misconduct.

Internal Audit

The Group has an in-house Internal Audit ("IA") function, based in Singapore, Indonesia, Vietnam, and India. The most senior member of the Group's internal audit function is the VP, Internal Audit ("Internal Auditor").

The Internal Auditor is a Certified Internal Auditor and Certified Public Accountant (USA) and has held the position since November 2015. He is based in Singapore and reports functionally to the ARC Chairman and administratively, to the CEO, as per the IA Charter. Prior to joining the Company as its Internal Auditor, he worked for a US MNC where he was the head of internal audit for Asia Pacific for 6 years, and 14 years in various regional controller roles.

The IA function adopts and follows the standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors, an internationally recognized professional body.

The annual internal audit plan is established by the Internal Auditor based on risk in consultation with, but independent of, the Management, and is reviewed and approved by the ARC. On a quarterly basis, the ARC and Management review and discuss internal audit findings, recommendations and status of remediation, at ARC meetings. The Chairman of the ARC meet up the Internal Auditor without the presence of the Management at least once annually.

The internal auditors have unfettered access to the Group's documents, records, properties and personnel, including access to the ARC.

The ARC is of the opinion that the internal audit function is independent, effective and adequately resourced.

Whistleblowing

The Group has implemented a whistleblowing avenue called Japfalert. Any employee/supplier/business associate who is aware of a violation of internal control, accounting and financial principles or anti-corruption regulations/procedures is encouraged to report it. The whistleblower can use the Japfalert internet site www.japfalert.com or send a letter to the dedicated postal address 391B Orchard Road #18-08, Ngee Ann City Tower B, Singapore 238874, with attention to Japfalert Committee. The information disclosed using Japfalert is kept confidential. Any whistleblower using this alert system is not at risk of any sanction, in relation to the matter disclosed, from his or her employer or the Group.

Principle 11: Shareholder Rights and Conduct of Meetings

The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Principle 12: Engagement with Shareholders

The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

Principle 13: Engagement with Stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The Company actively engages its shareholders and investors through regular and non-discriminatory communication and provides regular and timely information to the investment community regarding the Group's performance and prospects as well as major industry and corporate developments.

This is done via analyst and media briefings and teleconferences throughout the year, which are typically held in conjunction with the release of financial results. In addition, the Management takes an active role in engaging investors by holding regular meetings with institutional investors through local and international non-deal roadshows and conferences which are organised by the major brokerage firms.

The Board provides shareholders with quarterly and annual financial reports. Results for the first three quarters are released to shareholders within 45 days of the reporting period while the full-year results will be released to shareholders within 60 days of the Company's financial year-end. In presenting the financial reports, the Board aims to provide a balanced and understandable assessment of the Group's financial performance and prospects.

The CEO and the CFO provides assurance to the Board on the integrity of the financial statements of the Company and its subsidiaries.

The Company recognises that timely information is central to good corporate governance and is necessary for shareholders to make informed investment decisions. Shareholders are kept informed of material developments and performances of the Group through timely announcements, Investor Presentation and press releases (where appropriate) via the SGXNET, as well as through its annual report. At the same time, shareholders and investors can contact the Company or access information on the Company at its website at www.japfa.com.

Active participation from shareholders at general meetings is welcomed by the Company. The Constitution of Company allow a shareholder to appoint one or two proxies to attend and vote in his place at general meetings.

The Company issues its notice of general meetings together with its annual report and circular to shareholders at least 14 days prior to the scheduled general meetings. This is aimed at providing ample time for shareholders to review the notice of meetings, annual report and circular before the meetings.

The Company respects the rights of shareholders and aims to promote fair and equitable treatment of all shareholders by keeping shareholders appropriately informed of its corporate development and activities, on a timely basis. In particular, new information relating to the Group, which are material and price sensitive, are released through SGXNET before any media or analyst meetings or conference update calls are conducted. This ensures fair and non-selective disclosure of information to all investors.

Listing Rule 1207(19) – Dealing in Securities

The Group has adopted a security dealing policy similar to Rule 1207(19) of the SGX-ST's Listing Manual with respect to dealings in securities of the Company and PT Japfa Comfeed International Tbk, a principal subsidiary of the Company listed on the IDX.

The security trading policy is applicable to:

1) the Company;

2) Directors and Commissioners of the Company and its principal subsidiaries;

3) Key Executives of the Group; and

4) Key Financial Executives of the Group.

The above listed persons are:

(a) not allowed to deal in the Company's securities and of its listed subsidiary's securities two weeks before quarterly results are announced and one month before full year results are announced or while they are in possession of unpublished price-sensitive information; and

(b) discouraged from dealing in the Company's and its listed subsidiary's securities on short-term consideration.

Each person in (2) to (4) takes responsibilities for himself and his spouse and children below 21 years of age.

Interested Person Transactions

The Company has put in place internal procedures to ensure compliance with the requirement of Chapter 9 of the Listing Manual on interested person transactions.

Under the procedures, the Group Financial Controller maintains a register on all interested person transactions and ensures that the register will be updated on submission by designated persons. The register is subjected to periodic review by the Internal Auditor reporting to the ARC to ensure that such transactions are carried out on normal business terms in accordance and are not prejudicial to the interest of the Company and its minority shareholders.

The aggregate value of interested person transactions entered into the Group in FY2023 is as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) US$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)[1] US$'000
Associates of Renaldo Santosa and Gabriella Santosa		
– Lease of office	549	–
– Supply of raw materials	–	16,836
– Service Fee	386	–
Associates of Hendrick Kolonas		
– Lease of office	1,996	–
– Supply of goods	7,961	–
– Provision of insurance	336	–

Material Contracts

Saved as disclosed in the Interested Person Transaction section above, there were no material contracts entered into by the Group involving the interest of the Directors.

1 *The Group has not obtained a general mandate from shareholders for interested person transactions under Rule 920 of the Listing Manual.*

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

Tan Hwee Hua @ Lim Hwee Hua

Date of Appointment	17 April 2023
Date of last re-appointment	NA
Age	64
Country Of Principal Residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Nominating Committee has examined the conduct of the Board of Directors for the past year, the current board size, and the knowledge and experience of existing directors retiring at the AGM. NC is of the view that the collective experience and knowledge retiring Directors continue to contribute to the Company . NC has recommended all retiring directors be nominated for election at the AGM. The Board considered and accepted the recommendation by NC.
Whether appointment is executive, and if so, the area of responsibility	Appointment is Non-Executive. To lead Board and Management in discussion and deliberation of strategy and execution thereof, facilitate effective contribution by Directors, ensure succession planning and provide guidance on information flow between the Board and Management
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Independent Chairman Chairman of the Nominating Committee
Academic and Professional Qualifications	Master/Bachelor of Arts (Honours) in Mathematics/ Engineering from Cambridge University Master of Business Administration from the University of California at Los Angeles
Working experience and occupation(s) during the past 10 years	2011 – present: Jardine Cycle & Carriage Limited, Independent Director 2011 – present: Kohlberg Kravis Roberts, Senior Advisor 2011 – present: Tembusu Partners, Co-Chairman 2013 – 2017: Securities Investors Association Singapore, Honorary Chairman 2014 – 2021: United Overseas Bank Limited, Independent Director 2017 – present: Asia Pacific Exchange/Clear, Independent Chairman 2019 – present: ReSustainability Limited, Non Executive Director 2022 – present: Nippon Paint Holdings, Independent Director 2023 – present: JERA Co, Inc Independent Director

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

Shareholding interest in the listed issuer and its subsidiaries	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of interest (including any competing business)	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes

Other Principal Commitments* including Directorships

* "Principal Commitments" has the same meaning as defined in the Code.

Past (for the last 5 years)	2014-2021 United Overseas Bank Ltd 2014-2021 BW Group 2020-2022 KaHa Pte Ltd 2017-2022 Summit Power Int'l Pte Ltd 2021-2023 SIM People Development Fund Limited
Present	Asia Pacific Clear Pte Limited Asia Pacific Exchange Pte Limited DRR Investment Pte Ltd Japfa Ltd Jardine Cycle & Carriage Limited JERA Co Ltd Nippon Paint Holdings Co., Ltd ReSustainability Limited Tembusu Partners Private Limited International Valuation Standards Council, Board of Trustee
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

(c)	Whether there is any unsatisfied judgment against him?	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of –	
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Any prior experience as a director of an issuer listed on the Exchange?	Yes

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

Tan Yong Nang

Date of Appointment	1 June 2009
Date of last re-appointment	17 April 2023
Age	63
Country Of Principal Residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Nominating Committee has examined the conduct of the Board of Directors for the past year, the current board size, and the knowledge and experience of existing directors retiring at the AGM. NC is of the view that the collective experience and knowledge retiring Directors continue to contribute to the Company. NC has recommended all retiring directors be nominated for election at the AGM. The Board considered and accepted the recommendation by NC.
Whether appointment is executive, and if so, the area of responsibility	Appointment is Executive Tan Yong Nang is in charge of leading the development and execution of long-term strategy. He implements the decision of Board and is responsible for all day to-day operation of the Company.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Chief Executive Officer
Academic and Professional Qualifications	Bachelor of Arts (Economics) degree from the University of Cambridge Chartered Financial Analyst with The Institute of Chartered Financial Analysts, USA
Working experience and occupation(s) during the past 10 years	2014 – present Japfa Ltd, Chief Executive Officer 2007 – 2014, Japfa Pte Ltd, Chief Operating Officer
Shareholding interest in the listed issuer and its subsidiaries	Deemed interest in 98,129,060 Japfa Ltd shares Deemed interest in 380,000 shares in PT Japfa Comfeed Indonesia Tbk
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of interest (including any competing business)	None

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes

Other Principal Commitments* including Directorships

* "Principal Commitments" has the same meaning as defined in the Code.

Past (for the last 5 years)	Apachee Pte Ltd Central India Poultry Breeders Pvt Ltd Falcon Dairy Holdings Limited Great Beta Investments Limited Japfa China Investments Pte Ltd Jupiter Food Vietnam Limited Liability Company PT So Good Food
Present	Annona Pte Ltd AustAsia Group Ltd AIH2 Pte Ltd Bionovus Pte. Ltd (formerly known as Jupiter Foods Pte Ltd) Japfa Ltd Pure Source Dairy Farm Co., Ltd Dongying AustAsia Beef Co Ltd Japfa Vietnam Investments Pte Ltd Japfa Comfeed Vietnam Limited Company Japfa Hypor Genetics Company Limited Japfa South-Asia Investments Pte Ltd Japfa Comfeed India Private Limited Japfa Comfeed Bangladesh Pte Ltd Japfa Myanmar JV Pte Ltd Japfa Comfeed Myanmar Pte Ltd PT Japfa Comfeed Indonesia Tbk PT Kona Bay Indonesia <u>Other Directorships</u> Great Alpha Investments Limited Seasoned Pro Management Limited Utiva Continental SA

(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

(c)	Whether there is any unsatisfied judgment against him?	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of –	
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Any prior experience as a director of an issuer listed on the Exchange?	Yes

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

Kevin John Monteiro

Date of Appointment	16 April 2014
Date of last re-appointment	17 April 2023
Age	68
Country Of Principal Residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Nominating Committee has examined the conduct of the Board of Directors for the past year, the current board size, and the knowledge and experience of existing directors retiring at the AGM. NC is of the view that the collective experience and knowledge retiring Directors continue to contribute to the Company . NC has recommended all retiring directors be nominated for election at the AGM. The Board considered and accepted the recommendation by NC
Whether appointment is executive, and if so, the area of responsibility	Appointment is executive Kevin John Monteiro is the Chief Financial officer. He has oversight over all financial operations of our Group.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Chief Financial officer.
Academic and Professional Qualifications	Bachelor of Economics degree from Monash University, Australia Member of the Institute of Chartered Accountants in Australia
Working experience and occupation(s) during the past 10 years	2014 – present: Japfa Ltd, Chief Financial Officer 1999 – 2014: PT Japfa Comfeed Indonesia Tbk, Head of Corporate Finance
Shareholding interest in the listed issuer and its subsidiaries	Deemed interest in 4,595,230 shares in Japfa Ltd Deemed interest in 1,070,000 shares in PT Japfa Comfeed Indonesia Tbk
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

Conflict of interest (including any competing business)	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes

Other Principal Commitments* including Directorships

* "Principal Commitments" has the same meaning as defined in the Code.

Past (for the last 5 years)	Japfa Santori Australia Pty Limited Alternate Directorships (Alternate Director to Tan Yong Nang) Japfa China Investments Pte Ltd
Present	Annona Pte Ltd Annona Technical Services Pte. Ltd. Alternate Directorships (Alternate Director to Tan Yong Nang): Bionovus Pte. Ltd (formerly known as Jupiter Foods Pte Ltd) Japfa South-Asia Investments Pte Ltd Japfa Myanmar JV Pte Ltd Japfa Vietnam Investments Pte Ltd
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No

(c)	Whether there is any unsatisfied judgment against him?	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of –	
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Any prior experience as a director of an issuer listed on the Exchange?	Yes

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

Renaldo Santosa

Date of Appointment	1 December 2022
Date of last re-appointment	17 April 2023
Age	34
Country Of Principal Residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Nominating Committee has examined the conduct of the Board of Directors for the past year, the current board size, and the knowledge and experience of existing directors retiring at the AGM. NC is of the view that the collective experience and knowledge retiring Directors continue to contribute to the Company . NC has recommended all retiring directors be nominated for election at the AGM. The Board considered and accepted the recommendation by NC.
Whether appointment is executive, and if so, the area of responsibility	Appointment is Executive Head of Strategic Projects at Annona Technical Services Pte Ltd since 17 April 2023. He reports to Chief Executive Officer to: • provide strategic solutions such as his current project to spearhead and drive efficiencies across Indonesia's processing, sales & distribution, and branding in its Downstream business; • develop and implement commercial strategies to accelerate growth in Indonesian markets; • identify and develop strategic projects for the Group; • focus on achieving business results for long term success and profitability and ensure that projects' goals are aligned with Group strategic directions and objectives; • lead, direct, and coordinate the project teams in the design of strategic projects and in the development plans and project timelines; • review and track projects development and performance; • ensure that projects are proceeding according to timelines, meeting targets and expectations, and adhering to established operating parameters; • negotiates changes in projects' resources as necessary to achieve objectives and timelines; • identify, secure and coordinate implementation of internal and external resources and expertise as appropriate to achieve objectives; and • design, establish and maintain an organizational structure and staffing to effectively accomplish the goals and objectives of the team.

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director Head of Strategic Projects Member of the Nominating Committee
Academic and Professional Qualifications	Food Science and Business BSc, University of Reading, United Kingdom
Working experience and occupation(s) during the past 10 years	1 Sept 2011-28 Feb 2015 : Japfa Ltd, Business Development Executive 29 Feb 2016-28 Feb 2017 Japfa Ltd, Business Development Manager 1 March 2017 to 17 April 2023: Japfa Ltd, Head of Business Development and Strategy 17 April 2023 - current: Head of Strategic Projects at Annona Technical Services Pte Ltd 15 April 2021 -25 September 2022 Alternate Director to Mr Handojo Santosa 1 August 2022 – 30 November 2022 Executive Vice President, Chairman s Office 5 April 2023 – present, President Director, PT Japfa Comfeed Indonesia Tbk
Shareholding interest in the listed issuer and its subsidiaries	Deemed interest in 1,238,675,175 shares in Japfa Ltd
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Yes Son of Substantial Shareholder, Farida Gustimego Santosa Brother of Substantial Shareholders, Gabriella Santosa, Mikael Santosa and Raffaela Santosa Nephew of Director, Mr Hendrick Kolonas
Conflict of interest (including any competing business)	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes

Other Principal Commitments* including Directorships

* "Principal Commitments" has the same meaning as defined in the Code.

Past (for the last 5 years)	Nil
Present	Annona Pte Ltd PT Japfa Comfeed Indonesia, Tbk
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c)	Whether there is any unsatisfied judgment against him?	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of –	
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
	(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
	(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No
	in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
	Any prior experience as a director of an issuer listed on the Exchange?	Yes

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

Hendrick Kolonas

Date of Appointment	18 February 2013
Date of last re-appointment	17 April 2023
Age	68
Country Of Principal Residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Nominating Committee has examined the conduct of the Board of Directors for the past year, the current board size, and the knowledge and experience of existing directors retiring at the AGM. NC is of the view that the collective experience and knowledge retiring Directors continue to contribute to the Company . NC has recommended all retiring directors be nominated for election at the AGM. The Board considered and accepted the recommendation by NC.
Whether appointment is executive, and if so, the area of responsibility	Appointment is Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non Executive Director Member of the Remuneration Committee
Academic and Professional Qualifications	Bachelor of Arts (Hons) degree in Accounting and Finance from Middlesex University, United Kingdom ("UK") Masters degree in Business Administration, from Schiller International University, UK Masters of Arts degree in Banking Administration from University of Hull, UK
Working experience and occupation(s) during the past 10 years	2012 – current PT Japfa Comfeed Indonesia Tbk, Commissioner
Shareholding interest in the listed issuer and its subsidiaries	Deemed interest in 263,122,585 shares in PT Japfa Comfeed Indonesia Tbk

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Yes Father of Substantial Shareholder, Rachel Anastasia Kolonas Uncle of Director and Substantial Shareholder, Renaldo Santosa Brother-In-Law of Substantial Shareholder, Farida Gustimego Santosa Uncle of Substantial Shareholders, Gabriella Santosa, Mikael Santosa and Raffaela Santosa
Conflict of interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes

Other Principal Commitments* including Directorships

* "Principal Commitments" has the same meaning as defined in the Code.

Past (for the last 5 years)	–
Present	Apachee Pte Ltd Japfa Ltd PT Japfa Comfeed Indonesia, Tbk PT Omega Propertindo PT Multikem Suplindo
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

(c)	Whether there is any unsatisfied judgment against him?	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No

(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of –	
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
	(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
	(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No
	in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
	Any prior experience as a director of an issuer listed on the Exchange?	Yes

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

Tan Kian Chew

Date Of Appointment	18 April 2019
Date of last re-appointment	17 April 2023
Age	70
Country Of Principal Residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Nominating Committee has examined the conduct of the Board of Directors for the past year, the current board size, and the knowledge and experience of existing directors retiring at the AGM. NC is of the view that the collective experience and knowledge retiring Directors continue to contribute to the Company . NC has recommended all retiring directors be nominated for election at the AGM. The Board considered and accepted the recommendation by NC.
Whether appointment is executive, and if so, the area of responsibility	Appointment is Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director Chairman of the Audit and Risk Committee Member of the Nominating Committee
Academic and Professional Qualifications	Bachelor of Science (Mechanical Engineering) (First Class Honours) from the University of Aston in Birmingham, UK Advance Management Program, Harvard University
Working experience and occupation(s) during the past 10 years	2016 – 2018 Chief Executive Officer Singapore Labour Foundation 1997 – 2015 Group Chief Executive Officer NTUC Fairprice Co-operative Limited
Shareholding interest in the listed issuer and its subsidiaries	33,000 shares in the Japfa Ltd

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None
Conflict of interest (including any competing business)	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes

Other Principal Commitments* including Directorships#

* "Principal Commitments" has the same meaning as defined in the Code.

Past (for the last 5 years)	CapitaLand Mall Trust Management Limited
Present	PSC Corporation Limited # Japfa Ltd Catholic Preschool Education Ltd

public company listed on SGX-ST

(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c)	Whether there is any unsatisfied judgment against him?	No

(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of –	
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Any prior experience as a director of an issuer listed on the Exchange?	Yes

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

Manu Bhaskaran

Date Of Appointment	18 April 2019
Date of last re-appointment	17 April 2023
Age	66
Country Of Principal Residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Nominating Committee has examined the conduct of the Board of Directors for the past year, the current board size, and the knowledge and experience of existing directors retiring at the AGM. NC is of the view that the collective experience and knowledge retiring Directors continue to contribute to the Company . NC has recommended all retiring directors be nominated for election at the AGM. The Board considered and accepted the recommendation by NC
Whether appointment is executive, and if so, the area of responsibility	Appointment is Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director Chairman of the Remuneration Committee Member of Audit and Risk Committee
Academic and Professional Qualifications	Bachelor of Arts (Honours) from Magdalene College, Cambridge University Masters in Public Administration from John F Kennedy School of Government at Harvard University Chartered Financial Analyst
Working experience and occupation(s) during the past 10 years	2002 – present Chief Executive Officer and Founding Director of Centennial Asia Advisors
Shareholding interest in the listed issuer and its subsidiaries	Nil

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None
Conflict of interest (including any competing business)	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes

Other Principal Commitments* including Directorships

* "Principal Commitments" has the same meaning as defined in the Code.

Past (for the last 5 years)	IFS Capital Limited # MinorCap Pte Ltd Jebsen & Jessen SE Asia Ltd Shining Star Solutions and Services Private Limited, India # *listed company*
Present	CEO, Centennial Asia Advisors Pte Ltd <u>Directorship</u> Aspen Networks Inc Centennial Asia Advisors Pte Ltd Centennial Group Holdings LLC Luminor Capital Pte Ltd CIMB Investment Bank Berhad Japfa Ltd # NIKS Professional Ltd # # *listed company*
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

(c)	Whether there is any unsatisfied judgment against him?	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of –	
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Any prior experience as a director of an issuer listed on the Exchange?	Yes

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

Chia Wee Boon

Date of Appointment	1 Jan 2021
Date of last re-appointment	17 April 2023
Age	66
Country Of Principal Residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Nominating Committee has examined the conduct of the Board of Directors for the past year, the current board size, and the knowledge and experience of existing directors retiring at the AGM. NC is of the view that the collective experience and knowledge retiring Directors continue to contribute to the Company. NC has recommended all retiring directors be nominated for election at the AGM. The Board considered and accepted the recommendation by NC
Whether appointment is executive, and if so, the area of responsibility	Appointment is Non-Executive
Whether appointment is executive, and if so, the area of responsibility	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director Member of the Audit & Risk Committee Member of the Remuneration Committee
Academic and Professional Qualifications	Master degree in Management Science, Imperial College, London UK First Class Honours degree in Computing Studies, University of East Anglia, Norwich, UK Diploma in Directorship Program, SID-SMU, Singapore The General Managers Program, Harvard Business School, USA
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or any of its principal subsidiaries	No
Conflict of interests (including any competing business)	No
Working experience and occupation(s) during the past 10 years	2020 – Present, Managing Partner, Auxilium Pte Ltd. 2019 – 2022, Advisor, SingTel Group Strategy. 2009-2019, Chief Operating Officer/Chief Executive Officer, NCS Pte Ltd

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

Shareholding interest in the listed issuer and its subsidiaries	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes

Other Principal Commitments* including Directorships *

"Principal Commitments" has the same meaning as defined in the Code.

Past (for the last 5 years)	May 2017-Aug 2020, Member of SIM Society Governing Council Aug 2015-Sept 2022 Non Executive Director, HOPE Technik Pte Ltd
Present	2020-present Managing Partner, Auxilium Pte Ltd Oct 2019-present Member of the Board of Directors, Singapore Institute of Management Jan 2020 – present Director, Nanyang Academy of Fine Arts

INFORMATION REQUIRED PERSUANT TO LISTING RULE 704 (7)

(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

(c)	Whether there is any unsatisfied judgment against him?	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of –	
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Any prior experience as a director of an issuer listed on the Exchange?	Yes
If no prior experience as a director, any training in the roles and responsibilities of a listed company director	

FINANCIAL CONTENTS

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Japfa Ltd. (the "Company") and its subsidiary companies (collectively the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2023.

OPINION OF THE DIRECTORS

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(ii) at the date of the statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are:

Tan Hwee Hua @ Lim Hwee Hua (Appointed on 17 April 2023)
Tan Yong Nang
Kevin John Monteiro
Renaldo Santosa
Hendrick Kolonas
Manu Bhaskaran
Tan Kian Chew
Chia Wee Boon

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as described in the paragraphs below, neither at the end of the reporting year nor at any time during the reporting year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967 (the "Act"), an interest in shares of the Company and related corporations (other than wholly–owned subsidiary) as stated below:

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

	Direct interest			Deemed interest		
Name of directors	At beginning of the financial year/date of appointment	At end of the financial year	At 21 Jan 2024	At beginning of the financial year/date of appointment	At end of the financial year	At 21 Jan 2024
Ordinary shares of Japfa Ltd						
Tan Yong Nang	–	–	–	97,263,060	98,129,060	98,129,060
Kevin John Monteiro	–	–	–	4,595,230	4,672,630	4,672,630
Renaldo Santosa	–	–	–	1,238,175,175	1,238,675,175	1,238,675,175
Tan Kian Chew	33,000	33,000	33,000	–	–	–
Ordinary shares of subsidiary (PT Japfa Comfeed Indonesia Tbk)						
Hendrick Kolonas	–	–	–	263,122,585	263,122,585	263,122,585
Tan Yong Nang	–	–	–	380,000	380,000	380,000
Kevin John Monteiro	–	–	–	1,070,000	1,070,000	1,070,000
Bonds of subsidiary (PT Japfa Comfeed Indonesia Tbk)						
Tan Yong Nang	–	–	–	US$1,000,000	US$1,000,000	US$1,000,000

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

PERFORMANCE SHARE PLAN

Japfa Ltd Performance Share Plan ("Japfa Ltd PSP")

The Japfa Ltd PSP has been in effect since 23 July 2014 and is administered by the Remuneration Committee of the Company.

For a summary of the Japfa Ltd PSP, please refer to Note 27C of the financial statements.

Performance share awards granted to Directors under the Japfa Ltd PSP are disclosed as follows:

Directors	Share awards granted during financial year under review	Aggregate share awards granted since commencement of Japfa Ltd PSP to end of financial year under review[1 2]	Aggregate shares issued since commencement of Japfa Ltd PSP to end of financial year under review[2]	Aggregate share awards outstanding under the Japfa Ltd PSP as at end of financial year under review[1]
Tan Yong Nang	–	35,203,497	30,937,300	3,466,300
Kevin John Monteiro	–	2,952,705	2,368,200	513,200

1 *Based on 100% of the grant. Upon vesting, PSP FY2022 could range from 0% to 100%, depending on the level of achievement against pre-set performance conditions.*

2 *Share awards adjusted based on actual achievement levels and/or adjusted for changes to capital.*

DIRECTORS' STATEMENT

OPTIONS

During the reporting year, no option to take up unissued shares of the Company or other body corporate in the Group was granted and there were no shares issued by virtue of the exercise of an option to take up unissued shares, except as disclosed in Note 27C of the financial statements.

AUDIT COMMITTEE

The Audit Committee ("AC") carried out its functions in accordance with section 201B (5) of the Act, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors
- Reviewed the quarterly and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors
- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators
- Reviewed the cost effectiveness and the independence and objectivity of the external auditor
- Reviewed the nature and extent of non–audit services provided by the external auditor
- Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit
- Reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual

The AC, having reviewed all non–audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The AC has also conducted a review of interested person transactions.

The AC convened four meetings during the year with full attendance from all members. The AC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

DIRECTORS' STATEMENT

AUDITOR

Ernst & Young LLP have expressed their willingness to accept re–appointment as auditor.

On behalf of the board of directors:

Tan Yong Nang
Director

Kevin John Monteiro
Director

Singapore
26 March 2024

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2023
To the Members of Japfa Ltd.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Japfa Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and of the Company as at 31 December 2023, the statements of changes in equity of the Group and the Company and the consolidated statement of profit or loss and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current reporting year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is fulfilled in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters (cont'd)

(1) Valuation of biological assets

The Group's biological assets are measured at fair value less cost to sell, unless these cannot be measured reliably, then, the cost approach is applied. These fair values are measured using a market comparison approach or a replacement cost approach, which uses inputs such as raising costs, culling rate, and cost to sell. Fair values are determined by Management. We consider this a key audit matter because of the magnitude of the carrying amounts as well as the estimation uncertainty involved in determining the future market and economic conditions.

Our audit procedures included, amongst others, (i) checked the competency and capabilities of the management; (ii) evaluated the appropriateness of valuation approaches used; (iii) tested the information and key assumptions used, including comparing raising costs, culling rate and cost to sell to the internal and external sources of data and the available market prices at year end; (iv) checked the computational accuracy of the valuations and evaluated the reasonableness of the outcomes by considering reasonably plausible changes to the key assumptions; and (v) assessed the adequacy of the disclosures made in Note 19 to the financial statements.

(2) Valuation of defined benefit plan liabilities

The Group's defined benefit plan liabilities is derived significantly from the Indonesia Operations, with the rest derived from Vietnam and India. The plan liabilities are recorded in accordance with the respective countries' labour laws for employees. An independent actuary is engaged to assist management with the valuation of the plan liabilities in Indonesia and India. The plan liabilities of Vietnam are determined by Management. We consider the valuation of the defined benefit plan liabilities in Indonesia to be a key audit matter due to the magnitude of the carrying amounts as well as estimation uncertainty involved in determining the ultimate liability.

Our audit procedures included, amongst others, (i) confirm our understanding over the post-employment benefit estimation process; (ii) tested samples of the employees' details used in the computation to the human resource records and performed re-computation of the post-employment benefit liabilities; (iii) evaluated the reasonableness of the total annual salaries used in the computation by comparing to the historical data; (iv) reviewed the competence and independence of the independent valuer; (v) involve EY specialist to assess the reasonableness of the key assumptions used in the valuation, in particular the discount rate, inflation rate, mortality rates and future pension increases by comparing to market available data issued by the the Indonesian Government; and (vi) assessed the adequacy of the disclosures made in Note 28 to the financial statements

(3) Impairment assessment on non-financial assets

The performance of the Group's animal protein operations in Myanmar were affected during the year by factors intrinsic to their local markets. In view of this, management has performed an impairment test to assess whether an impairment charge is required for the Group's property, plant and equipment and right-of-use assets amounting to US$20.2 million and US$6.9 million in Myanmar. Management has also assessed whether an impairment charge is required for the Company's investment in Japfa Myanmar JV Pte. Ltd amounting to US$27.6 million. Recoverable amount of the Myanmar cash generating unit where these assets have been allocated were determined using the value-in use calculations by discounting the underlying cash flow forecasts approved by management. We considered the audit of management's impairment assessment over these assets to be a key audit matter because of the magnitude of the carrying amounts as well as the estimation uncertainty involved in making assumptions of future market and economic conditions.

Our audit procedures included, amongst others, (i) reviewed the appropriateness of the valuation models used in determining the recoverable value; (ii) reviewed reliability of the forecasts used as a basis for the discounted cashflow projections prepared by management; (iii) evaluated the reasonableness of the key inputs and assumptions used in the cashflow projections and performed sensitivity testing; (iv) compared the recoverable value determined against the carrying value of assets to assess for any impairment or reversal; (v) involved EY specialist to review the appropriateness of the methodology used, reasonableness of key inputs and assumptions, such as terminal growth rate and discount rate; and (vi) assessed the adequacy of the disclosures made in Note 13 and Note 17B to the financial statements.

Other Information

Management is responsible for other information. The other information comprises the information in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr Tan Po Hsiong Jonathan.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
26 March 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the financial year ended 31 December 2023

	Note	2023 US$'000	2022 US$'000
Continuing operations			
Revenue	4	4,428,948	4,363,800
Cost of sales		(3,895,538)	(3,806,281)
Gross profit		533,410	557,519
Interest income	5	5,561	3,765
Other loss, net	6	(317)	(2,677)
Marketing and distribution costs	7	(154,737)	(141,452)
Administrative expenses	8	(259,830)	(260,545)
Finance costs	9	(110,671)	(87,059)
Foreign exchange adjustments gain, net		(2,518)	(1,385)
Changes in fair value of biological assets	19	(943)	(4,736)
Share of loss from equity-accounted associates and joint venture	18	(3,580)	(193)
Profit before income tax from continuing operations		6,375	63,237
Income tax expense	11	(12,341)	(24,986)
(Loss)/Profit for the year from continuing operations, net of tax		(5,966)	38,251
Discontinued operations			
Profit after tax from discontinued operations	17D	–	23,394
(Loss)/Profit for the year, net of tax		(5,966)	61,645
(Loss)/Profit for the year, net of tax attributable to:			
– Owners of the parent		(30,798)	8,156
– Non-controlling interests		24,832	53,489
		(5,966)	61,645
Basic and diluted earnings per share (cents)	12	(1.51)	0.40

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2023

	Note	2023 US$'000	2022 US$'000
(Loss)/Profit for the year, net of tax		(5,966)	61,645
Continuing operations			
Other comprehensive income			
Items that will not be reclassified to statement of comprehensive income:			
Remeasurement of the net defined benefits plan, net of tax	28	(2,957)	5,547
Net loss on equity instruments designated at fair value through other comprehensive income		(6,708)	–
Items that may be reclassified subsequently to statement of comprehensive income:			
Exchange differences on translating foreign operations		10,695	(97,127)
Share of other comprehensive income of equity-accounted associates and joint ventures, net of tax	18	705	(1,549)
Cash flow hedges		11,437	(20,810)
		13,172	(113,939)
Discontinued operations			
Other comprehensive income			
Items that will not be reclassified to statement of comprehensive income:			
Net gain on equity instruments designated at fair value through other comprehensive income		–	406
Items that may be reclassified subsequently to statement of comprehensive income:			
Exchange differences on translating foreign operations		–	(70,894)
		–	(70,488)
Other comprehensive income for the year, net of tax		13,172	(184,427)
Total comprehensive income		7,206	(122,782)
Total comprehensive income, net of tax attributable to:			
– Owners of the parent		(28,647)	(108,027)
– Non-controlling interests		35,853	(14,755)
		7,206	(122,782)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	Group 2023 US$'000	Group 2022 US$'000	Company 2023 US$'000	Company 2022 US$'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	1,039,550	968,094	56	78
Right-of-use assets	14	206,003	205,135	35	494
Investment properties	15	25,362	23,047	–	–
Intangible assets	16	12,231	12,698	–	–
Investment in subsidiaries	17	–	–	453,622	410,913
Investments in associate and joint ventures	18	36,257	35,664	27,100	28,000
Biological assets	19	39,658	40,845	–	–
Deferred tax assets	11	73,764	58,613	–	–
Real estate assets	20	65,235	62,481	–	–
Other receivables	21	1,050	965	–	–
Other financial assets	22	18,940	15,408	–	–
Other assets, non-current	23	43,475	37,824	–	–
		1,561,525	1,460,774	480,813	439,485
Current assets					
Inventories	24	754,202	743,715	–	–
Biological inventories	19	197,837	205,208	–	–
Biological assets	19	126,523	136,979	–	–
Trade and other receivables	21	190,147	190,807	4,412	5,111
Other financial assets	22	5,704	12,219	5,528	12,034
Other assets, current	23	36,004	37,460	1,837	919
Cash at banks	25	211,879	280,695	26,993	76,816
		1,522,296	1,607,083	38,770	94,880
Total assets		3,083,821	3,067,857	519,583	534,365
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	26	478,898	478,898	478,898	478,898
Treasury shares	26	(13,817)	(13,724)	(13,817)	(13,724)
Retained earnings		560,099	607,736	76,233	81,978
Other reserves	27	(9,911)	(9,297)	(24,505)	(18,294)
Translation reserve	27	(244,032)	(248,664)	–	–
Equity, attributable to owners of the parent		771,237	814,949	516,809	528,858
Non-controlling interests		421,300	400,317	–	–
Total equity		1,192,537	1,215,266	516,809	528,858

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	Group 2023 US$'000	Group 2022 US$'000	Company 2023 US$'000	Company 2022 US$'000
Non-current liabilities					
Defined benefit plan liabilities	28	85,133	75,209	–	–
Deferred tax liabilities	11	2,616	4,226	–	–
Trade and other payables, non-current	29	415	423	–	–
Loan and borrowings, non-current	30	580,737	616,985	–	–
Lease liabilities	31	156,278	148,096	–	29
Other liabilities, non-current	32	876	807	–	–
		826,055	845,746	–	29
Current liabilities					
Income tax payable		15,972	16,930	166	535
Trade and other payables, current	29	283,865	299,596	2,578	4,440
Loan and borrowings, current	30	731,519	657,587	–	–
Lease liabilities	31	17,118	20,542	30	503
Other financial liabilities	22	346	274	–	–
Other liabilities, current	32	16,409	11,916	–	–
		1,065,229	1,006,845	2,774	5,478
Total liabilities		1,891,284	1,852,591	2,774	5,507
Total equity and liabilities		3,083,821	3,067,857	519,583	534,365

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

Group	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
Balance at 1 January 2023	1,215,266	814,949	478,898	(13,724)	607,736	(9,297)	(248,664)	400,317
Total comprehensive income for the year	7,206	(28,647)	–	–	(32,426)	(853)	4,632	35,853
Contribution by and distribution to owners								
Purchase of treasury shares by the Company	(697)	(697)	–	(697)	–	–	–	–
Reissue of treasury shares by a subsidiary	880	–	–	–	–	–	–	880
Reissue treasury shares by the Company under performance share plan	–	–	–	604	–	(604)	–	–
Value of employee services pursuant to performance share plan	1,101	1,101	–	–	–	1,101	–	–
Issuance of new shares to non-controlling interests without change of control	1,159	(258)	–	–	–	(258)	–	1,417
Dividend paid to equity holders of the Company (Note 38)	(15,211)	(15,211)	–	–	(15,211)	–	–	–
Dividend paid by subsidiary to non-controlling interests	(17,167)	–	–	–	–	–	–	(17,167)
Total contribution by and distribution to owners	(29,935)	(15,065)	–	(93)	(15,211)	239	–	(14,870)
Balance at 31 December 2023	1,192,537	771,237	478,898	(13,817)	560,099	(9,911)	(244,032)	421,300

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

Group	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
Balance at 1 January 2022	2,146,452	1,426,972	1,059,882	(14,125)	709,272	(157,676)	(170,381)	719,480
Total comprehensive income for the year	(122,782)	(108,027)	–	–	11,176	(10,906)	(108,297)	(14,755)
Contribution by and distribution to owners								
Capital reduction	–	–	(580,984)	–	580,984	–	–	–
Distribution of shares in AAG to equity holders of the Company	(767,822)	(485,855)	–	–	(671,750)	155,881	30,014	(281,967)
Purchase of treasury shares by the Company	(2,666)	(2,666)	–	(2,666)	–	–	–	–
Acquisition of non-controlling interests without change of control	(5,781)	(2,384)	–	–	–	(2,384)	–	(3,397)
Transfer of share-based payment reserve to liability	(217)	(217)	–	–		(217)	–	–
Reissue treasury shares by the Company under performance share plan	–	–	–	3,067	–	(3,067)	–	–
Value of employee services pursuant to performance share plan	13,872	9,072	–	–	–	9,072	–	4,800
Dividend paid to equity holders of the Company (Note 38)	(21,946)	(21,946)	–	–	(21,946)	–	–	–
Dividend paid by subsidiary to non-controlling interests	(23,844)	–	–	–	–	–	–	(23,844)
Total contribution by and distribution to owners	(808,404)	(503,996)	(580,984)	401	(112,712)	159,285	30,014	(304,408)
Balance at 31 December 2022	1,215,266	814,949	478,898	(13,724)	607,736	(9,297)	(248,664)	400,317

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

Company	Total equity US$'000	Share capital US$'000	Treasury shares US$'000	Retained earnings US$'000	Other reserves US$'000
Balance at 31 December 2021	1,113,791	1,059,882	(14,125)	84,116	(16,082)
Total comprehensive income for the year	10,178	–	–	10,178	–
Capital reduction	–	(580,984)	–	580,984	–
Distribution of shares in AAG to equity holders of the Company	(571,354)	–	–	(571,354)	–
Purchase of treasury shares	(2,666)	–	(2,666)	–	–
Reissue treasury shares under performance share plan	–	–	3,067	–	(3,067)
Value of employee services pursuant to performance share plan (Note 27C)	855	–	–	–	855
Dividend paid to equity holders of the Company (Note 38)	(21,946)	–	–	(21,946)	–
Balance at 31 December 2022	528,858	478,898	(13,724)	81,978	(18,294)
Total comprehensive income for the year	2,758	–	–	9,466	(6,708)
Purchase of treasury shares	(697)	–	(697)	–	–
Reissue treasury shares under performance share plan	–	–	604	–	(604)
Value of employee services pursuant to performance share plan (Note 27C)	1,101	–	–	–	1,101
Dividend paid to equity holders of the Company (Note 38)	(15,211)	–	–	(15,211)	–
Balance at 31 December 2023	516,809	478,898	(13,817)	76,233	(24,505)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

	2023 US$'000	2022 US$'000
Cash flows from operating activities		
Profit before tax from continuing operations	6,375	63,237
Profit before tax from discontinued operations	–	25,443
Profit before tax	6,375	88,680
Adjustments for:		
Amortisation of intangible assets		
– Continuing operations	925	1,096
– Discontinued operations	–	351
Amortisation of bonds issuance cost	2,003	1,969
Amortisation of premium on option	7,590	7,576
Depreciation of property, plant and equipment		
– Continuing operations	90,830	85,161
– Discontinued operations	–	21,528
Amortisation of right-of-use assets		
– Continuing operations	30,357	29,491
– Discontinued operations	–	3,294
Write-off of property, plant and equipment	781	1,440
Write-down of inventories	1,532	4,568
Depreciation of investment properties	893	725
Effect of lease liabilities remeasurement and termination	(794)	1,980
Fair value loss on derivative financial instruments	–	(175)
Fair value changes on other financial assets	–	(3)
Negative goodwill arising from acquisition of subsidiary	–	(2)
Fair value loss on biological assets		
– Continuing operations	943	4,736
– Discontinued operations	–	19,614
(Gain)/loss on disposal of property, plant and equipment		
– Continuing operations	(830)	(558)
– Discontinued operations	–	2,759
Gain on buy back bonds	–	(364)
Expenses arising from increase in defined benefit plan liabilities	12,440	6,868
Dividend income from investment in shares	(636)	(113)
Interest income		
– Continuing operations	(5,561)	(3,765)
– Discontinued operations	–	(488)
Interest expense on loans and borrowings		
– Continuing operations	93,199	72,258
– Discontinued operations	–	21,841
Interest expense on leases		
– Continuing operations	17,472	14,801
– Discontinued operations	–	10,686
Allowance for expected credit losses on trade and other receivables		
– Continuing operations	6,252	7,551
– Discontinued operations	–	32
Value of employee services received pursuant to performance share plan		
– Continuing operations	1,101	855
– Discontinued operations	–	13,016
Share of loss from equity-accounted associates and joint ventures	3,580	193
Net effect of exchange rate changes	6,750	(8,772)
Operating cash flows before changes in working capital	275,202	408,829

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

	2023 US$'000	2022 US$'000
Operating cash flows before changes in working capital	275,202	408,829
Biological inventories	6,513	27,415
Inventories	(2,387)	(198,952)
Biological assets	33,435	(67,743)
Trade and other receivables	5,346	(39,449)
Other assets	(9,379)	(16,324)
Trade and other payables	(18,463)	169,048
Defined benefit plan liabilities	(7,455)	(5,150)
Other liabilities	4,565	(3,176)
Net cash flows from operations before tax	287,377	274,498
Income taxes paid	(28,830)	(48,907)
Interest expense paid	(93,199)	(94,099)
Interest paid on lease liabilities	(17,472)	(25,459)
Net cash flows from operating activities	147,876	106,033
Cash flows used in investing activities		
Acquisition of subsidiaries, net of cash inflows/(outflows)	–	82
Purchase of property, plant and equipment (Note 25B)	(170,286)	(332,509)
Purchase of investment properties	(1,914)	(195)
Proceeds from disposal of property, plant and equipment	2,290	1,102
Proceeds from disposal of investment properties	3	9
Additions in real estate assets	(191)	(638)
Addition to investment in joint venture	(3,376)	(3,814)
Proceeds from issuance of shares to non-controlling interests by subsidiary	1,159	–
Purchase of biological assets	(22,398)	(32,187)
Purchase consideration paid for acquisition of non-controlling interests without change of control	–	(5,781)
Net cash outflow on distribution of shares in AAG to equity holders of the Company	–	(35,145)
Purchase of intangible assets	(54)	(1,353)
Purchase of financial assets	(206)	(32)
Dividend received from joint ventures	117	148
Dividend received from investment in shares	636	113
Interest income received	5,561	4,253
Net cash flows used in investing activities	(188,659)	(405,947)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

	2023 US$'000	2022 US$'000
Cash flows used in financing activities		
Dividends paid by subsidiary to non-controlling interests	(17,167)	(23,844)
Dividends paid to equity holders of the Company	(15,211)	(21,946)
Repayment of principal portion of lease liabilities	(25,735)	(37,839)
Proceeds from bank loans	29,902	410,501
(Increase)/decrease in cash restricted in use	(252)	2,115
Purchase of treasury shares by the Company	(697)	(2,666)
Reissued of treasury shares by Subsidiary	880	–
Buy back of bonds payable	–	(1,579)
Repayment of bonds payable	–	(69,358)
Net cash flows (used in)/generated from financing activities	(28,280)	255,384
Net decrease in cash and cash equivalents	(69,063)	(44,530)
Effect of exchange rate changes on cash and cash equivalents	(5)	6,774
Cash and cash equivalents, beginning balance	280,381	318,137
Cash and cash equivalents, ending balance (Note 25A)	211,313	280,381

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

Japfa Ltd (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange. Its immediate and ultimate holding companies are Rangi Management Limited and Fusion Investment Holdings Limited, both of which are incorporated and domiciled in the British Virgin Islands.

The registered office and principal place of business of the Company is located at 391B Orchard Road, #18-08, Ngee Ann City Tower B, Singapore 238874.

The principal activities of the Company are that of group head office, and business development and branding. The principal activities of its subsidiaries are described in Note 17 of the financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The consolidated financial statements of the Group, and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards International ("SFRS(I)").

The financial statements have been prepared on a historical cost basis, except as disclosed in the accounting policies below.

The 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.

Certain comparative amounts have been re-presented, as a result of an operation discontinued during the current financial year (see Note 17D).

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual periods beginning on or after 1 January 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

2.3 Standards issued but not yet effective

The Company has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*	1 January 2024
Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7: *Supplier Finance Arrangements*	1 January 2024
Amendments to SFRS(I) 1-16: *Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

The directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in statement of profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to statement of profit or loss or retained earnings, as appropriate.

(b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised in profit or loss.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquire are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non–controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in statement of profit or loss on the acquisition date.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.4 Basis of consolidation and business combinations (cont'd)

(b) Business combinations and goodwill (cont'd)

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash–generating units ("CGU") that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The CGUs to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the CGU may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates.

2.5 Transactions with non–controlling interest

Non-controlling interest ("NCI") represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company. The NCI is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and NCI are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the NCI is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 Foreign currency

The financial statements are presented in United States Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in statement of profit or loss.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into USD at the rate of exchange ruling at the end of the reporting period and their statement of profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in statement of profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight–line basis over the estimated useful lives of the assets as follows:

Buildings and site facilities	–	4 to 50 years
Machinery and equipment	–	3 to 30 years
Office furniture and fixtures	–	2 to 25 years
Motor vehicles	–	3 to 12 years
Leasehold land	–	Over the remaining lease terms
Freehold land	–	Not depreciated

Asset under construction are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in statement of profit or loss in the year the asset is de-recognised.

2.8 Investment property

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, cost model is used to measure the investment property at cost less any accumulated depreciation and any accumulated impairment losses. An investment property that meets the criteria to be classified as held for sale is carried at the lower of carrying amount and fair value. For disclosure purposes only, the fair values are determined by management. Depreciation is computed on a straight-line basis over the estimated useful lives of the investment properties of 14 to 35 years.

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in statement of profit or loss in the year of retirement or disposal.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.9 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in statement of profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The intangible assets are amortised on a straight-line basis over their estimated useful lives as follows:

Formula and technology	–	20 years
Trademark	–	8 years
Computer software	–	5 to 7 years

Intangible assets with indefinite useful lives are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de–recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in statement of profit or loss when the asset is de-recognised.

Identifiable intangible assets acquired as part of a business combination are initially recognised separately from goodwill if the asset's fair value can be measured reliably, irrespective of whether the asset had been recognised by the acquiree before the business combination. An intangible asset is considered identifiable only if it is separable or if it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

2.10 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset maybe impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash–generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.10 Impairment of non-financial assets (cont'd)

Impairment losses of continuing operations are recognised in statement of profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in statement of profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.11 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The investments in subsidiaries are accounted for at cost less impairment losses.

In the Company's separate financial statements, the fair value of performance shares granted to employees of its subsidiaries is recognised as an increase in the cost of the Company's investment in subsidiaries, with a corresponding increase in equity over the vesting period.

2.12 Joint arrangements – joint ventures and associate

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement. To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

Associates in an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investments in joint ventures and associates using the equity method from the date on which it becomes a joint venture or associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the joint venture's statement of profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in joint ventures and associates are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the joint ventures and associates. The statement of profit or loss reflects the share of results of the operations of the joint ventures. Distributions received from joint ventures and associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the joint venture and associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and joint venture and associates are eliminated to the extent of the interest in the joint ventures and associates.

When the Group's share of losses in a joint venture and associates equals or exceeds its interest in the joint venture and associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture and associates.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.12 Joint arrangements – joint ventures and associate (cont'd)

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in joint ventures and associates. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the joint venture and associates is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and associates and its carrying value and recognises the amount in statement of profit or loss.

The financial statements of the joint ventures and associates are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

2.13 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

<u>Investments in debt instruments</u>

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.13 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement (cont'd)

Investments in debt instruments (cont'd)

(ii) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

Investments in equity instruments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

The Group also has insignificant amount of investments in unquoted equity instruments that are classified and measured through the profit and loss.

Derivatives

Derivative financial instruments are classified as financial assets or liabilities at fair value through profit or loss and are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each balance sheet.

Any gains or losses arising from changes in fair value on derivative financial instruments are taken to the statement of profit or loss for the year.

The fair value of foreign exchange forward and option contracts are determined by reference to market values for similar instruments.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.13 Financial instruments (cont'd)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.14 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a "12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a "lifetime ECL").

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group calculate ECLs for trade receivables initially based on the Group's historical observed default rates and adjust based on the forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.15 Inventories

Inventories are measured at the lower of cost (weighted average method) and net realisable value. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.16 Real estate assets

Real estate assets are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Real estate assets are measured at the lower of cost and net realisable value.

Net realisable value of real estate assets is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of real estate assets recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

2.17 Biological assets

Biological assets are measured on initial recognition and at the end of the reporting year at their fair value less costs to sell, with any resultant gain or loss recognised in the profit or loss for the year in which it arises. Biological assets mainly comprise of dairy cows, breeding livestock, fattening livestock, and forage and plantations.

2.18 Cash and cash equivalents

Cash and cash equivalents include bank and cash balances and on demand deposits. For the consolidated statement of cash flows the item includes cash and cash equivalents less cash subject to restriction, if any.

2.19 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of time value of money is material, provisions are discounted at a current pre–tax rate that reflects, where appropriate, current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Changes in estimates are reflected in statement of profit or loss in the reporting year they occur.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.20 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.21 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.14 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2.22 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Defined benefit gratuity plan

The Group's subsidiary in India has a defined benefit gratuity plan for its employees. The scheme is funded with Life Insurance Corporation of India (LIC) in the form of a qualifying insurance policy. The Group provides the gratuity benefit through annual contribution to a Gratuity Trust which in term mainly contributes to LIC for this purpose. Under this plan, the settlement obligation remains with the Gratuity Trust. LIC administers the plan and determines the contribution premium required to be paid by the Trust.

(c) Defined benefit pension plan

The Group's subsidiaries in Indonesia operates a defined benefit pension plan for severance and service benefits, which is required under the labour laws in Indonesia and is unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, is recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to statement of profit or loss in subsequent period.

Past service costs are recognised in statement of profit or loss on the earlier of:

– The date of the plan amendment or curtailment; and

– The date that the Group recognises restructuring–related costs.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.22 Employee benefits (cont'd)

(c) Defined benefit pension plan (cont'd)

The Group recognises service costs comprising current service costs, past-service costs, gains and losses on curtailments and non–routine settlements in the net defined benefit obligation under 'administration expenses' in consolidated statement of statement of profit or loss.

Employees of the Group may receive remuneration in the form of shares as consideration for services rendered. The cost of these equity-settled share-based payment transactions with employees is measured by reference to the fair value of the shares, rights, or options granted at the date on which its granted which takes into account market conditions and non-vesting conditions. These are fair valued based on the market price of the entity's shares (or an estimated market price, if the entity's shares are not publicly traded).

(d) Employee performance share plan

This cost is recognised in statement of profit or loss, with a corresponding increase in equity, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of share awards that will ultimately vest. The charge or credit to statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for share awards that do not ultimately vest, except for share awards where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market condition or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the share awards do not vest as the result of a failure to meet a non-vesting condition that is within the control of the Group or the employee, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in the statement of profit or loss upon cancellation. The employee share reserve is transferred to retained earnings upon expiry of the plan.

Modification and cancellation of employee share award

Where the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where the employee share award is cancelled, it is treated as if it vested on the date of cancellation, and any expense that otherwise would have been recognised for services received over the remaining vesting period is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellations of equity-settled transactions awards are treated equally.

Cash-settled share-based payment transactions

The cost of a cash-settled share-based payment transaction is measured initially at fair value at the grant date. This fair value is recognised in profit or loss over the vesting period with recognition of a corresponding liability. Until the liability is settled, its is remeasured at each reporting date with changes in fair value recognised in profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.23 Leases

(a) As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land use rights	–	2 to 58 years
Buildings and site facilities	–	2 to 15 years
Machinery and equipment	–	2 to 7 years
Office furniture and fixtures	–	2 years
Transport vehicles	–	2 to 8 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (s) Impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.23 Leases (cont'd)

(a) As lessee (cont'd)

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.24 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Sales of goods

Revenue is recognised when the goods are delivered to customer and all criteria for acceptance have been satisfied as follows:

(i) Sales of animal feed

Revenue from these sales is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The goods are often sold with incentives such as volume rebates. Revenue from these sales is recorded based on the contracted price less the estimated incentives, which are determined based on the 'most likely method' for contracts with a single volume threshold and the 'expected value method' for contracts with more than one volume threshold.

(ii) Sales of livestock

Revenue from sales of animal protein is recognised when the livestock are collected by customers.

(iii) Sales of raw milk

Revenue from these sales is recognised when the goods are delivered to the customers and all criteria for acceptance have been satisfied.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.24 Revenue recognition (cont'd)

(a) Sales of goods (cont'd)

(iv) Sales of animal protein products and milk products

The Group sells animal protein products and milk products through retail sales and distributors. Revenue from sales of these products are recognised when the goods are delivered to customers. Animal protein and milk products are sold to certain customers with right of return and fixed rebates. Revenue from these sales is recorded based on the contracted price less the expected returns and rebates. The Group estimates the amount of expected returns in determining the transaction price and recognises revenue based on the amounts to which it expects to be entitled through the end of the return period. The Group recognises the amount of expected returns as a liability, representing its obligation to refund the customer's consideration.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Dividend income

Dividend income from equity instruments is recognised when the entity's right to receive payment is established.

2.25 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in statement of profit or loss except to the extent that the tax relates to items recognised outside statement of profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which/ applicable tax regulations are subject to interpretation and established provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable statement of profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.25 Taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable statement of profit or loss; and

– In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

2.26 Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.27 Segment reporting

For management purposes, the Group is organised into operating segments based on geographical area of the business unit which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 36, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.28 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

3.1 Judgements made in applying accounting policies

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below.

Income taxes

The Group operates in a number of jurisdictions, including Indonesia, India, Vietnam, Myanmar and Singapore. Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate determination is uncertain during the ordinary course of business. The administration and enforcement of tax laws and regulations may be subject to uncertainty and a certain degree of discretion by the tax authorities in these countries. Although the Group believes the amounts recognised for income and deferred taxes are adequate, these amounts may be insufficient based on the respective countries' tax authorities interpretation and application of these laws and regulations and the Group may be required to pay more as a result. It is impracticable to determine the extent of the possible effects of the above, if any, on the consolidated financial statements of the Group. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will have an impact on the income tax and deferred tax provisions in the period in which such determination is made.

3.2 Key sources of estimation uncertainty

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty (cont'd)

(a) Fair value of biological assets

Biological assets are measured at fair value less costs to sell. Fair value is measured based on either the market determined prices as at the end of the reporting year adjusted with reference to the raising costs, culling rate, and cost to sell to reflect differences in characteristics and/or stages of growth of the biological assets. Any change in the estimates may affect the fair value of the biological assets significantly. The key assumptions applied in determination of the fair value of the Group's biological assets are described in more detail in Note 19.

(b) Defined benefit plans

The cost of the defined benefit pension plan and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, salary increment rate, and expected mortality rates. Due to its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about pension obligations are disclosed in Note 28.

(c) Impairment assessment of non-financial assets

The recoverable amounts of the cash generating units of which the property, plant and equipment, right of use assets and the investment in subsidiaries have been allocated to were determined using value in use calculations by discounting the underlying cash flow forecasts approved by management. The recoverable amounts is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the long term growth rate used for extrapolation purposes. The key assumptions applied in the determination of the value in use including a sensitivity analysis, are disclosed and further explained in Note 13, Note 16A and Note 17B to the financial statements.

(d) Provision for ECLs of trade receivables

The Group calculates ECLs for trade receivables initially based on the historical observed default rates and adjust based on the forward-looking information.

At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 21.

(e) Leases – Estimating the Incremental Borrowing Rate ("IBR")

The Group is not able to readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (e.g. when leases are not in the subsidiary's functional currency). The Group uses existing debt borrowing rates of the respective Group's entities as its IBR. The information about the Group's leases is disclosed in Note 31.

4. REVENUE

Business segments

	Group	
	2023 US$'000	2022 US$'000
Continuing operations		
Animal Protein – PT Japfa Tbk	3,361,253	3,281,465
Animal Protein – Other	1,040,618	1,038,267
Others	27,077	44,068
	4,428,948	4,363,800

Others mainly relate to sales of animal feed raw materials of which (i) sales of US$16.8 million (2022: US$33.4 million) are to a related party and (ii) sales of US$4.4 million (2022: US$2.2 million) are to an associated company. Financials of the former subsidiary are presented as Discontinued Operations in the current period (Note 17D).

Major products

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
2023			
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
2022			
Sales of animal feed	1,152,490	429,646	1,582,136
Sales of livestock	1,463,273	569,124	2,032,397
Sales of animal protein products	478,515	39,497	518,012

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

Judgement and methods used in estimating variable consideration

In estimating the variable consideration from the sale of goods, the Group uses the expected value method to estimate the returns and various incentives to customers. Management has exercised judgement in applying the constraint on the estimated variable consideration that can be included in the transaction price.

5. INTEREST INCOME

	Group	
	2023 US$'000	2022 US$'000
Continuing operations		
Interest income from cash deposits in bank	5,561	3,765

6. OTHER (LOSS), NET

	Group	
	2023 US$'000	2022 US$'000
Continuing operations		
Insurance compensation	1,686	1,291
Dividend income	636	113
Sale of scrap	2,331	2,859
Rental income from investment properties	231	238
Other rental income	1,210	1,078
Gain on disposal of property, plant and equipment	830	558
Write-off of property, plant and equipment	(781)	(1,440)
Fair value loss on derivative financial instruments	–	(175)
Negative goodwill arising from acquisition of subsidiary	–	2
Adjustment to past service cost due to plan amendment and curtailment effect (Note 28)	49	–
Allowance for expected credit losses of trade and other receivables	(6,252)	(7,551)
Write-down of inventories	(1,532)	(4,568)

7. MARKETING AND DISTRIBUTION COSTS

Continuing operations

The major components include the following:

	Group	
	2023 US$'000	2022 US$'000
Advertising and promotion expense	29,091	20,048
Employee benefits expense	49,708	48,471
Freight charges	33,622	32,724
Sales commission	71	42
Vehicles maintenance	7,797	7,191
Freight forwarding	420	459
Travel and courier services	2,364	2,324
Rental expenses	6,248	6,265
Depreciation expenses	4,516	4,125

8. ADMINISTRATIVE EXPENSES

Continuing operations

The major components include the following:

	Group 2023 US$'000	Group 2022 US$'000
Audit fees:		
– Auditor of the Company	133	116
– Auditors of the subsidiaries	586	610
Non-audit fees:		
– Auditors of the subsidiaries	84	100
Employee benefits expense	149,702	150,320
Depreciation and amortisation expense	20,848	23,228
Travel expense	4,197	4,437
Rental expense	5,792	3,509
Professional expense	4,425	3,390
Security expense	1,774	1,926
Miscellaneous office expense	4,204	4,553
Maintenance expense	15,287	16,479
Donations and representation	4,162	4,689
Option premium amortisation expense	7,590	7,576

9. FINANCE COSTS

	Group 2023 US$'000	Group 2022 US$'000
Continuing operations		
Interest expense on loans and borrowings	93,199	72,258
Interest expense on lease liabilities	17,472	14,801
	110,671	87,059

10. EMPLOYEE BENEFITS EXPENSE

	Group 2023 US$'000	Group 2022 US$'000
Continuing operations		
Salaries and bonuses	352,601	336,084
Contributions to defined contribution plans	25,050	24,035
Defined benefits plan expenses (Note 28)	12,489	6,868
Value of employee services received pursuant to performance share plan (Note 27C)	1,101	855
Total employee benefits expense	391,241	367,842

11. INCOME TAX

11A. Components of tax expense recognised in consolidated statement of profit or loss

	Group 2023 US$'000	Group 2022 US$'000
Continuing operations		
Current income tax:		
Current income taxation	27,275	45,050
Under provision in respect of previous years	732	1,003
	28,007	46,053
Deferred income tax:		
Origination and reversal of temporary differences	(15,939)	(23,630)
Withholding tax expenses	273	2,563
Income tax expense recognised in statement of profit or loss	12,341	24,986

The reconciliation of income tax below is determined by applying the Singapore corporate tax rate. The income tax in consolidated statement of profit and loss varied from the amount determined by applying the Singapore corporate tax rate of 17% (2022: 17%) to profit before income tax as a result of the following differences:

	Group 2023 US$'000	Group 2022 US$'000
Profit before income tax from continuing operations	6,375	63,237
Share of loss of equity accounted associate and joint ventures	3,580	193
	9,955	63,430
Income tax expense at the above rate	1,692	10,783
Effect of different tax rates in different countries	1,509	6,126
Expenses not deductible for tax purposes	10,681	13,096
Income not subject to tax	(2,037)	(2,325)
Deferred tax assets not recognised	949	761
Under provision in respect of previous years	732	1,003
Withholding tax	273	2,563
Tax incentives	(1,015)	(6,099)
Others	(443)	(922)
Total income tax expense	12,341	24,986
Effective tax rate	123.9%	39.4%

Relationship between tax expense and accounting profit

There are no income tax consequences attached to dividends paid to owners of the Company.

A subsidiary in the Group enjoys a concessionary corporate income tax rate of 10%, subject to meeting certain terms and conditions imposed by the authorities.

11. INCOME TAX (CONT'D)

11B. Deferred tax credit recognised in statement of profit or loss

	Group	
	2023 US$'000	2022 US$'000
Continuing operations		
Deficit of net book value over tax value of plant and equipment	3,610	3,605
Fair value of biological assets	(202)	(919)
Tax losses of subsidiaries	(15,308)	(23,020)
Defined benefits plan liabilities	(1,150)	(267)
Provision	(1,939)	(2,041)
Allowance for impairment	(1,310)	(673)
Others	360	(315)
Net deferred tax credit recognised in statement of profit or loss	(15,939)	(23,630)

11C. Deferred tax expense/(credit)recognised in other comprehensive income

	Group	
	2023 US$'000	2022 US$'000
Continuing operations		
Re-measurement of the net defined benefits plan (Note 28)	(676)	1,408
Derivative instruments	2,277	(4,499)

11D. Deferred tax balance in the statement of financial position

	Group	
	2023 US$'000	2022 US$'000
Deferred tax assets/(liabilities) are as follows:		
Property,plant and equipment	(14,120)	(10,335)
Biological assets	(163)	(371)
Tax losses of subsidiaries	49,937	34,557
Defined benefit plan liabilities	18,195	16,074
Provision	9,340	7,423
Undistributed earnings	–	(2,066)
Derivative instruments	2,214	5,202
Allowance for impairment	4,175	2,825
Right-of-use assets	(5,055)	(5,761)
Lease liabilities	4,852	5,656
Others	1,773	1,183
Total	71,148	54,387
Presented in the statement of financial position as follows:		
Deferred tax assets	73,764	58,613
Deferred tax liabilities	(2,616)	(4,226)
	71,148	54,387

11. INCOME TAX (CONT'D)

11E. Unrecognised deferred tax

Unrecognised tax losses:

At the end of the reporting year, the Group has unutilised tax losses of approximately US$7.6 million (2022: US$7.7 million), respectively, that are available for offset against future taxable profits of the respective entities in which the losses arose, and for which no deferred tax asset was recognised due to uncertainty of their recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the Group operate.

Included in the unrecognised tax losses are tax losses with expiry dates as follows:

	Group	
	2023 US$'000	2022 US$'000
Tax losses expiring in year		
2023	–	1,397
2024	1,319	1,268
2025	2,449	2,400
2026	1,512	1,578
2027	898	1,074
2028	1,448	–
	7,626	7,717

Temporary differences on undistributed earnings:

Deferred tax liability of approximately US$38.2 million (2022: US$34.5 million) has not been recognised in these financial statements for withholding taxes that would be payable on the undistributed earnings of the Group's foreign subsidiaries as the Group is able to control the timing of dividend distributions of the subsidiaries and has determined that these undistributed earnings will not be distributed in the foreseeable future.

11F. International Tax Reform – Pillar Two Model Rules (GloBE)

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) addresses the tax challenges arising from the digitalisation of the global economy.

The Pillar Two Global anti-Base Erosion rules (GloBE Rules) represent the first substantial overhaul of the international tax rules in almost a century. The GloBE Rules propose four new taxing mechanisms under which multinational enterprises (MNEs) would pay a minimum level of tax (Minimum Tax): the Subject to Tax Rule is a tax treaty-based rule that generally proposes a Minimum Tax on certain cross-border intercompany transactions that otherwise are not subject to a minimum level of tax; the Income Inclusion Rule (IIR); the Under Taxed Payments Rule (UTPR); and the Qualified Domestic Minimum Top-up Tax (QDMT) generally propose a Minimum Tax on the income arising in each jurisdiction in which an MNE operates.

In the Singapore 2023 Budget Statement, the Singapore government announced plans to implement the GloBE Rules as well as a domestic top-up tax (DTT) beginning on or after 1 January 2025. As of the issuance date of these financial statements, Singapore has not announced when and how the GloBE Rules will be enacted, the jurisdiction in which the Company is incorporated. Consequently, it is not presently feasible to reasonably estimate the quantitative impact of this legislation.

12. EARNINGS PER SHARE

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

	Group	
	2023 US$'000	2022 US$'000
Numerator:		
Earnings attributable to equity holders:		
Continuing operations	(30,798)	(6,465)
Discontinued operations	–	14,621
Earnings attributable to equity holders for basic earnings	(30,798)	8,156

	Number of shares	
	'000	'000
Denominator:		
Weighted average number of equity shares	2,037,365	2,042,295
Earnings per share:		
Continuing operations (in cents)	(1.51)	(0.32)
Discontinued operations (in cents)	–	0.72
Basic and diluted earnings per share (cents)	(1.51)	0.40

The weighted average number of equity shares refers to shares in circulation during the reporting year.

There is no dilution of earnings per share as there are presently no dilutive shares outstanding as at the end of the reporting year. The denominators used are the same as those detailed above for both basic and diluted earnings per share.

13. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land US$'000	Freehold land US$'000	Buildings and site facilities US$'000	Machinery and equipment US$'000	Office furniture and fixtures US$'000	Construction in progress US$'000	Motor vehicles US$'000	Total US$'000
Cost:								
At 1 January 2022	193,602	5,644	849,259	905,606	146,080	87,048	93,329	2,280,568
Additions	11,877	25	11,236	30,046	7,960	256,468	5,032	322,644
Acquisition of a subsidiary	–	–	–	2	–	–	–	2
Deconsolidation of AAG Group	–	–	(264,325)	(299,247)	(7,051)	(75,258)	(2,708)	(648,589)
Disposals/write-off	–	–	(2,149)	(7,126)	(2,538)	(275)	(2,610)	(14,698)
Reclassifications *	124	–	60,379	54,815	5,420	(121,454)	1,366	650
Foreign exchange adjustments	(17,993)	(816)	(74,980)	(79,169)	(13,394)	(8,887)	(7,388)	(202,627)
At 31 December 2022 and 1 January 2023	187,610	4,853	579,420	604,927	136,477	137,642	87,021	1,737,950
Additions	11,779	187	4,958	9,550	6,035	121,389	2,103	156,001
Disposals/write-off	(205)	–	(3,046)	(4,660)	(3,067)	(16)	(2,601)	(13,595)
Reclassifications *	658	–	57,915	42,363	6,528	(110,578)	674	(2,440)
Foreign exchange adjustments	3,833	(225)	6,241	7,243	2,608	570	1,363	21,633
At 31 December 2023	203,675	4,815	645,488	659,423	148,581	149,007	88,560	1,899,549
Accumulated depreciation:								
At 1 January 2022	54,807	–	249,488	460,861	104,826	–	68,929	938,911
Depreciation for the year	6,972	–	41,161	54,095	16,184	–	3,937	122,349
Acquisition of a subsidiary	–	–	–	1	–	–	–	1
Deconsolidation of AAG Group	–	–	(65,462)	(121,699)	(4,384)	–	(1,138)	(192,683)
Disposals/write-off	–	–	(1,239)	(4,081)	(2,169)	–	(2,466)	(9,955)
Reclassifications *	(17)	–	(4)	7	(14)	–	(3)	(31)
Foreign exchange adjustments	(5,454)	–	(23,791)	(42,865)	(10,348)	–	(6,278)	(88,736)
At 31 December 2022 and 1 January 2023	56,308	–	200,153	346,319	104,095	–	62,981	769,856
Depreciation for the year	7,500	–	29,456	36,433	13,714	–	3,727	90,830
Disposals/write-off	–	–	(2,086)	(4,076)	(2,777)	–	(2,415)	(11,354)
Reclassifications *	248	–	(568)	30	(153)	–	71	(372)
Foreign exchange adjustments	1,055	–	2,368	4,689	1,839	–	1,088	11,039
At 31 December 2023	65,111	–	229,323	383,395	116,718	–	65,452	859,999
Net book value:								
At 31 December 2022	131,302	4,853	379,267	258,608	32,382	137,642	24,040	968,094
At 31 December 2023	138,564	4,815	416,165	276,027	31,863	149,007	23,109	1,039,550

* *Included in the reclassifications are certain assets with carrying values reclassified from/to investment properties (Note 15) of US$0.8 million (2022: amounts less than US$0.1 million) and real estate assets of Nil (2022: US$0.9 million) respectively.*

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Office furniture and fixtures US$'000	Motor vehicles US$'000	Total US$'000
Cost:			
At 1 January 2022	1,388	387	1,775
Additions	8	–	8
At 31 December 2022 and 1 January 2023	1,396	387	1,783
Additions	4	–	4
At 31 December 2023	1,400	387	1,787
Accumulated depreciation:			
At 1 January 2022	1,290	386	1,676
Depreciation for the year	29	–	29
At 31 December 2022 and 1 January 2023	1,319	386	1,705
Depreciation for the year	26	–	26
At 31 December 2023	1,345	386	1,731
Net book value:			
At 31 December 2022	77	1	78
At 31 December 2023	55	1	56

The Group's property, plant and equipment with carrying amount of US$128.6 million (2022: US$206.9 million) are pledged as security for banking facilities (Note 30A).

The Group's depreciation of property, plant and equipment amounting to Nil (2022: US$15.7 million) was capitalised in biological assets.

Leasehold land amounting to US$7.9 million (2022: US$6.4 million) are held in trust for the Group by employees of the Group.

Impairment of assets

During the year, management performed an impairment test of property, plant and equipment and right of use assets relating to the Group's "Animal Protein – Other" segment in Myanmar and Vietnam due to the performance of these two subsidiaries being affected by factors intrinsic to their local markets. The recoverable amounts of the cash generating units from each operation were measured based on its value in use computed using a discounted cash flow based on five-year cash flow projection. As the recoverable amounts are in excess of the carrying amount of the cash generating units, no impairment loss was recognised. The recoverable amounts were based on pre-tax discount rate of 37.1% (2022: 33.8%) and 15.2% (2022: 17.2%) for the Myanmar and Vietnam-based subsidiaries respectively. Any reasonable change in the key assumptions will not result in impairment loss.

14. RIGHT-OF-USE ASSETS

Group	Land use rights US$'000	Buildings and site facilities US$'000	Machinery and equipment US$'000	Office furniture and fixtures US$'000	Transport vehicles US$'000	Total US$'000
Cost:						
At 1 January 2022	216,983	183,088	1,874	14	4,076	406,035
Additions	78,679	59,095	391	–	825	138,990
Deconsolidation of AAG Group	(220,150)	(113)	–	–	–	(220,263)
Effect of lease remeasurement	(15,775)	5,235	–	–	69	(10,471)
Lease termination/expired	(597)	(5,035)	–	–	(434)	(6,066)
Foreign exchange adjustments	(18,983)	(6,815)	(102)	(1)	(129)	(26,030)
At 31 December 2022 and 1 January 2023	40,157	235,455	2,163	13	4,407	282,195
Additions	400	44,401	232	–	595	45,628
Effect of lease remeasurement	(2)	1,097	–	–	14	1,109
Lease termination/expired	(606)	(35,086)	(823)	(3)	(1,821)	(38,339)
Foreign exchange adjustments	(820)	(5,626)	(28)	–	(120)	(6,594)
At 31 December 2023	39,129	240,241	1,544	10	3,075	283,999
Accumulated amortisation:						
At 1 January 2022	16,686	49,393	1,039	4	2,002	69,124
Amortisation for the year	14,257	26,990	368	3	974	42,592
Deconsolidation of AAG Group	(25,495)	(24)	–	–	–	(25,519)
Lease termination/expired	(597)	(3,955)	–	–	(276)	(4,828)
Foreign exchange adjustments	(1,619)	(2,550)	(71)	–	(69)	(4,309)
At 31 December 2022 and 1 January 2023	3,232	69,854	1,336	7	2,631	77,060
Amortisation for the year	1,153	27,991	395	3	815	30,357
Lease termination/expired	(18)	(25,096)	(806)	(3)	(1,579)	(27,502)
Foreign exchange adjustments	(65)	(1,756)	(15)	–	(83)	(1,919)
At 31 December 2023	4,302	70,993	910	7	1,784	77,996
Net book value:						
At 31 December 2022	36,925	165,601	827	6	1,776	205,135
At 31 December 2023	34,827	169,248	634	3	1,291	206,003

The depreciation expense on right-of-use assets amounting to Nil (2022: US$9.8 million) was capitalised in biological assets.

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For the financial year ended 31 December 2023

14. RIGHT-OF-USE ASSETS (CONT'D)

Company – Buildings and site facilities	2023 US$'000	2022 US$'000
At cost:		
At 1 January	1,481	1,481
Effect of lease remeasurement	(36)	–
At 31 December	1,445	1,481
Accumulated amortisation:		
At 1 January	987	493
Amortisation for the year	423	494
At 31 December	1,410	987
Net book value:		
At 31 December	35	494

15. INVESTMENT PROPERTIES

Group	2023 US$'000	2022 US$'000
At cost:		
At 1 January	26,131	28,498
Additions	1,914	195
Disposals	(3)	(9)
Reclassifications from property, plant and equipment	1,186	97
Foreign exchange adjustments	534	(2,650)
At 31 December	29,762	26,131
Accumulated depreciation and impairment:		
At 1 January	3,084	2,624
Depreciation for the year	893	725
Reclassifications from property, plant and equipment	372	17
Foreign exchange adjustments	51	(282)
At 31 December	4,400	3,084
Net book value:		
At 31 December	25,362	23,047

15. INVESTMENT PROPERTIES (CONT'D)

Group	2023 US$'000	2022 US$'000
Rental income	231	238
Direct operating expenses (including repair and maintenance) of investment properties that generated rental income during the year	58	10
Direct operating expenses (including repair and maintenance) of investment properties that did not generate rental income during the year	3	9

The Group's investment properties consist of properties in Indonesia that are leased out as operating leases. The management has not entered into contractual obligations for the maintenance or enhancement of the investment properties.

There are no restrictions on the realisability of investment properties or the remittance of income and proceeds of disposal.

Investment properties are carried at cost less accumulated depreciation. The fair value of the investment properties as at 31 December 2023 amounted to US$36.5 million (2022: US$36.5 million).

The fair values of the properties are based on valuations performed by Nanang Rahayu Sigit Paryanto & Rekan, an accredited independent valuer. Nanang Rahayu Sigit Paryanto & Rekan is a specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

16. INTANGIBLE ASSETS

	Group	
	2023 US$'000	2022 US$'000
Goodwill (Note 16A)	10,082	9,880
Other intangible assets (Note 16B)	2,149	2,818
	12,231	12,698

16. INTANGIBLE ASSETS (CONT'D)

16A. Goodwill

	Group US$'000
At 1 January 2022	10,891
Foreign exchange adjustments	(1,011)
At 31 December 2022 and 1 January 2023	9,880
Foreign exchange adjustments	202
At 31 December 2023	10,082

Goodwill is allocated to CGUs for the purposes of impairment testing. Each of those CGUs represents the Group's investment in a subsidiary as follows:

	2023 US$'000	2022 US$'000
Name of subsidiaries:		
PT Ciomas Adisatwa	7,213	7,068
PT Multi Makanan Permai	2,869	2,812

The goodwill for CGUs were tested for impairment at the end of the reporting year. An impairment loss is the amount by which the carrying amount of a CGU exceeds its recoverable amount. The recoverable amount of a CGU is the higher of its fair value less costs of disposal or its value in use. The recoverable amounts of the CGUs have been measured based on their value in use. The quantitative information and key assumptions about the value in use measurements using significant unobservable inputs for CGUs are consistent with those used for the measurements last performed and are analysed as follows:

	2023 US$'000	2022 US$'000
Valuation technique:	Discounted cash flow method	
Unobservable inputs:		
Estimated discount rates using pre-tax rates that reflect current market assessments at the risks specific to the CGUs:	9.00% to 9.53%	9.15% to 9.85%
Cash flow forecasts derived from the most recent financial budgets and plans approved by management:	5 years	5 years

16. INTANGIBLE ASSETS (CONT'D)

16A. Goodwill (cont'd)

Relationship of unobservable inputs to value in use:

Discount rate – the higher the discount rate, the lower the value in use.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the goodwill as of the end of the reporting period, assuming if all other assumptions were held constant:

	2023		2022	
	Increase/ (decrease)	Change in recoverable amount US$'000	Increase/ (decrease)	Change in recoverable amount US$'000
PT Ciomas Adisatwa				
Discount rate	1%	(29,462)	1%	(62,663)
	(1%)	40,230	(1%)	90,348
PT Multi Makanan Permai				
Discount rate	1%	(1,463)	1%	(3,057)
	(1%)	1,544	(1%)	3,231

There is no impairment based on the sensitivity analysis performed.

16B. Other intangible assets

Group	Trademark US$'000	Computer software US$'000	Total US$'000
At cost:			
At 1 January 2022	804	13,952	14,756
Additions	–	1,353	1,353
Disposal	–	(154)	(154)
Deconsolidation of AAG Group	–	(2,603)	(2,603)
Foreign exchange adjustments	(75)	(1,243)	(1,318)
At 31 December 2022 and 1 January 2023	729	11,305	12,034
Additions	–	54	54
Write off	–	(3)	(3)
Reclassifications	–	152	152
Foreign exchange adjustments	15	176	191
At 31 December 2023	744	11,684	12,428

16. INTANGIBLE ASSETS (CONT'D)

16B. Other intangible assets (cont'd)

Group	Trademark US$'000	Computer software US$'000	Total US$'000
Accumulated amortisation:			
At 1 January 2022	218	10,886	11,104
Amortisation for the year	96	1,356	1,452
Disposal	–	(153)	(153)
Deconsolidation of AAG Group	–	(2,129)	(2,129)
Foreign exchange adjustments	(25)	(1,033)	(1,058)
At 31 December 2022 and 1 January 2023	289	8,927	9,216
Amortisation for the year	94	831	925
Write off	–	(3)	(3)
Foreign exchange adjustments	5	136	141
At 31 December 2023	388	9,891	10,279
Net book value:			
At 31 December 2022	440	2,378	2,818
At 31 December 2023	356	1,793	2,149

The amortisation expense of other intangible assets is charged to administrative expenses.

17. INVESTMENTS IN SUBSIDIARIES

	Company 2023 US$'000	2022 US$'000
Quoted equity shares at cost	152,839	152,750
Unquoted equity shares at cost	400,501	355,778
	553,340	508,528
Less: Allowance for impairment	(99,718)	(97,615)
Net carrying amount	453,622	410,913
Fair value of quoted equity shares	497,549	535,104

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

	Company 2023 US$'000	Company 2022 US$'000
Movements in cost during the year:		
At 1 January	508,528	995,196
Additions (i)	44,812	45,953
Capitalisation of other receivables to subsidiaries (ii)	–	48,363
Distribution of shares in a subsidiary to equity holders of the Company	–	(571,354)
Reclassification (iii)	–	(9,630)
At 31 December	553,340	508,528

(i) Additions during the year pertain to additional investment in a subsidiary amounting to US$44.6 million (2022: US$40.0 million), purchase of shares in a subsidiary and the employee benefits expense related to the performance share plan issued to the employees of the subsidiary.

(ii) In 2022, the other receivables from subsidiaries were capitalised as the investment in the subsidiaries (Note 21).

(iii) Reclassification pertains to fair value of the retained shares in AAG reclass to investment in shares within Note 22A "Investment in shares".

17A. Major subsidiaries held by the Group

Name of subsidiaries and principal activities (and independent auditor)	Country of incorporation	Effective equity held by the Group 2023 %	Effective equity held by the Group 2022 %
Held by the Company:			
PT Japfa Comfeed Indonesia Tbk ("PT Japfa Tbk") [b] [d] [e] Processing of materials for the manufacture/production of animal feed, engaging in breeding, poultry and other farms and engaging in domestic and international trading	Indonesia	55.4	55.4
Annona Pte Ltd ("ANN") [a] Import and export of raw materials	Singapore	100.0	100.0
Bionovus Pte Ltd [a] Investment holding	Singapore	100.0	100.0
Japfa South-Asia Investments Pte Ltd ("JSI") [a] Investment holding	Singapore	100.0	100.0
Japfa Vietnam Investments Pte Ltd ("JVI") [a] Investment holding	Singapore	100.0	100.0
Japfa Myanmar JV Pte Ltd ("JMJV") [a] Investment holding	Singapore	100.0	100.0

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

17A. Major subsidiaries held by the Group (cont'd)

Name of subsidiaries and principal activities (and independent auditor)	Country of incorporation	Effective equity held by the Group 2023	2022
Major subsidiaries held through PT Japfa Tbk:			
PT Suri Tani Pemuka [b] Production of shrimp feed manufacturing, shrimp farming, cold storage and shrimp hatchery	Indonesia	55.4	55.4
PT Ciomas Adisatwa [b] Commercial farm, chicken slaughterhouse and trading	Indonesia	55.4	55.4
PT Indojaya Agrinusa [b] [c] Animal feeds and aquafeeds manufacturing as well as poultry business	Indonesia	27.7	27.7
PT Jakamitra Indonesia [b] Industrial estate	Indonesia	55.4	55.4
PT Multi Makanan Permai [b] Trading	Indonesia	55.4	55.4
PT So Good Food ("SGF") [b] Consumer foods	Indonesia	55.4	55.4
Major subsidiary held through JSI:			
Japfa Comfeed India Private Ltd ("JCIPL") [b] Poultry	India	100.0	100.0
Major subsidiary held through JVI:			
Japfa Comfeed Vietnam Limited Company [b] Breeding farm and poultry	Vietnam	100.0	100.0
Major subsidiary held through JMJV:			
Japfa Comfeed Myanmar Pte Ltd ("JCM") [b] Poultry and feedmill business	Myanmar	99.0	99.0

(a) Audited by Ernst & Young LLP, Singapore.

(b) Audited by member firms of EY Global in the respective countries.

(c) The entity is regarded as a subsidiary as the Group owns, directly or indirectly through subsidiaries, more than half of the voting power of the entity, and it is able to obtain control through potential voting rights.

(d) Listed on Jakarta stock exchange.

(e) The Group's investments in the related subsidiaries are pledged to banks to secure banking facilities.

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

17B. Impairment of investment in subsidiaries

Investments in subsidiaries with operations in Myanmar and Vietnam with carrying amounts of US$27.6 million (2022: US$29.8 million) and US$206.6 million (2022: US$167.2 million) respectively, were tested for impairment at the end of the reporting year. The recoverable amount of the investments were measured based on its value in use computed using a discounted cash flow based on a five-year cash flow projection. As the recoverable amount was less than the carrying amount of the Company's investment in Japfa Myanmar JV Pte. Ltd, an impairment loss of US$2.1 million (2022: US$11.1 million) was recognised. The recoverable amounts were based on pre-tax discount rate and terminal growth rate of 37.1% and 7.8% (2022: 33.8% and 7.8%), respectively. No impairment is required for the Company's investment in Japfa Vietnam Investments Pte Ltd and no reasonably possible change in the key assumptions would have resulted in impairment.

Sensitivity to changes in assumptions

The implication of the change in the two key assumptions for the recoverable amount of the subsidiary in Myanmar is shown below:

	2023		2022	
	Increase/ (decrease)	Change in recoverable amount US$'000	Increase/ (decrease)	Change in recoverable amount US$'000
Pre-tax discount rate	1%	(2,100)	1%	(2,963)
	(1%)	2,400	(1%)	3,306
Terminal growth rate	1%	1,200	1%	1,792
	(1%)	(1,000)	(1%)	(1,609)

Based on the sensitivity analysis above, a 1% increase in pre-tax discount rate and 1% decrease in terminal growth rate will result in further impairment of US$2.1 million and US$1.0 million, respectively.

17C. Financial information of subsidiaries with material NCI

There are subsidiaries that have NCI that are considered material to the Group and additional disclosures on them (amounts before inter-company eliminations) are presented below.

Summarised statement of financial position

	PT Japfa Comfeed Indonesia Tbk	
	2023 US$'000	2022 US$'000
Current assets	1,116,912	1,080,762
Non-current assets	1,029,696	940,079
Current liabilities	693,050	598,337
Non-current liabilities	600,555	611,765

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

17C. Financial information of subsidiaries with material NCI (cont'd)

Summarised statement of profit or loss and other summarised information

	PT Japfa Comfeed Indonesia Tbk	
	2023 US$'000	2022 US$'000
Revenue	3,362,687	3,283,026
Profit for the reporting year	54,515	92,862
Total comprehensive income	79,225	(881)
Operating cash flows, increase	155,855	95,647
Net cash flows, (decrease)/ increase	(18,935)	43,087

17D. Discontinued operations

On 30 December 2022, being the listing date of AustAsia Group Ltd ("AAG"), the Company distributed ("DIS") its AAG shares to its shareholders based on the distribution ratio of one (1) AAG share for every five (5) Company shares. The remaining unallocated AAG shares due to fractional interests were retained by the Company. Post DIS, AAG ceased to be a subsidiary of the Group. AAG remains a related party of the Group as the controlling shareholders of the Company have significant influence over AAG. Post DIS, there were no related party transactions between AAG and the Group on 30 December 2022.

The results of AAG and its subsidiaries ("AAG Group") are reported in the current period as a Discontinued Operations.

AAG Group was previously reported under the Dairy segment for production of raw milk and beef operation in China.

Financial performance and cash flow information of Discontinued Operations

The financial performance and cash flow information presented are for the period from 1 January to 30 December 2022.

	2022 US$'000
Financial information	
Revenue	563,443
Expenses	(486,489)
Profit from operation	76,954
Finance income	488
Finance cost	(32,527)
Other income	3,415
Foreign exchange adjustments	(3,273)
Changes in fair value of biological assets	(19,614)
Profit before tax from Discontinued Operations	25,443
Tax expense	(2,049)
Profit after tax from Discontinued Operations	23,394
Cash flow information	
Operating cash flow	160,750
Investing cash flow	(167,293)
Financing cash flow	44,539
Net cash inflows/(outflows)	37,996

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

17D. Discontinued operations (cont'd)

Carrying value of the distribution in specie

The financial effects arising from the distribution in specie of Discontinued Operations as of 30 December 2022 are as follows:

	30 December 2022 US$'000
Net effect on asset and liabilities	
Assets of AAG derecognised	
Property, plant and equipment	455,906
Right-of-use assets	194,744
Intangible assets	474
Biological assets	550,004
Other financial assets	1,222
Other assets	31,944
Inventory	187,254
Trade and other receivables	62,595
Cash and cash equivalents	35,145
	1,519,288
Liabilities of AAG derecognised	
Trade and other payables	234,237
Lease liabilities	191,041
Deferred tax liabilities	600
Loan and borrowing	311,926
Other liabilities	3,449
Income tax payables	583
	741,836
Net asset of AAG	777,452
Less: Non-controlling interest	(281,967)
Fair value of retained shares in AAG	(9,630)
Net assets distributed	485,855
Net effect on cash flow	
Cash of AAG distributed	(35,145)
Net cash outflow on distribution of shares in AAG to equity holders of the Company	(35,145)

18. INVESTMENTS IN ASSOCIATE AND JOINT VENTURES

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Unquoted equity shares, at carrying value				
Interest in associate	22,672	25,472	27,100	28,000
Interest in joint ventures	13,585	10,192	–	–
	36,257	35,664	27,100	28,000

The joint ventures are not considered material to the Group.

The Company's carrying value of interest in associate has been written down by US$0.9 million during the year.

The listing of and information on associate and joint ventures is given below:

Name of associate and joint ventures and principal activities (and independent auditor)	Country of incorporation	Effective equity held by the Group 2023 %	2022 %
(i) Details of associate			
Freshness Limited [(a)] Investment holdings	Cayman Island	20	20
Held through Freshness Limited:			
Greenfields Dairy Singapore Pte Ltd [(b)] Production, trading, wholesale and distribution of milk	Singapore	20	20
(ii) Details of joint ventures			
Held through SGF:			
PT Intan Kenkomayo Indonesia [(b)] Production and sales of mayonnaise and dressing sauce products	Indonesia	28	28
PT Cahaya Gunung Foods [(b)] Production and sales of fully cooked poultry product	Indonesia	22	22
Held through PT Suri Tani Pemuka			
PT Kona Bay Indonesia [(c)] Own and operate a shrimp Broodstock Multiplication Centre	Indonesia	27	27
Held through PT Proteindotama Cipta Pangan			
PT Tira Cipta Logistik [(c)] Distribution	Indonesia	22	22
PT Tira Cipta Transportasi [(c)] Logistic	Indonesia	22	22

(a) Not required to be audited in the country of incorporation.
(b) Audited by member firms of EY Global in the respective countries.
(c) Audited by firms of accountants other than member firms of EY Global.

18. INVESTMENTS IN ASSOCIATE AND JOINT VENTURES (CONT'D)

The summarised financial information of the associate Freshness Limited (and not the Group's share of those amounts), based on the financial statements of the associate are as follows:

	2023 US$'000	2022 US$'000
Summarised statement of profit or loss		
Revenue	123,029	122,289
Loss for the year	(16,417)	(7,175)
Total comprehensive loss	(15,306)	(11,473)
Depreciation and amortisation	(9,859)	(9,313)
Interest income	96	254
Interest expense	(9,912)	(6,105)
Income tax (expense)/credit	(893)	78
Summarised statement of financial position		
Current assets	47,949	55,796
Includes:		
Cash and cash equivalents	8,796	9,215
Non-current assets	326,458	319,974
Includes:		
Goodwill	205,387	205,387
Current liabilities	(43,524)	(31,956)
Non-current liabilities	(63,669)	(62,601)
Includes:		
Non-current financial liabilities	(56,085)	(58,118)
Reconciliation:		
Net assets of the associate excluding goodwill	61,827	75,826
Group's share of net assets of the associate	12,366	15,166
Goodwill	10,306	10,306
Group's carrying amount of the interest in the associate	22,672	25,472

18. INVESTMENTS IN ASSOCIATE AND JOINT VENTURES (CONT'D)

As of 31 December 2023, and 31 December 2022, no joint venture was individually material to the Group. The summarised financial information of the joint ventures (and not the Group's share of those amounts) based on the financial statements of the joint ventures are as follows:

	2023 US$'000	2022 US$'000
Summarised statement of profit or loss		
Revenue	25,760	23,967
(Loss)/Profit for the year	(193)	1,794
Total comprehensive (loss)/income	(221)	1,826
Depreciation and amortisation	(1,424)	(899)
Interest income	76	90
Interest expense	(499)	(448)
Income tax credit/(expense)	58	(406)
Summarised statement of financial position		
Current assets	16,882	19,118
Includes:		
Cash and cash equivalents	7,940	5,389
Non-current assets	34,887	15,349
Current liabilities	(5,967)	(3,978)
Non-current liabilities	(14,412)	(7,498)
Reconciliation:		
Net assets of the joint ventures	31,390	22,991
Group's share of net assets of the joint ventures	13,291	9,898
Goodwill	294	294
Group's carrying amount of the interest in the joint ventures	13,585	10,192

19. BIOLOGICAL ASSETS

	Group	
	2023 US$'000	2022 US$'000
Breeding chickens	115,723	111,196
Breeding ducks	648	601
Breeding cattle	1,645	2,155
Breeding swine	47,968	63,703
Forage and plantation	197	169
	166,181	177,824
Fattening livestock	197,837	205,208
	364,018	383,032
Presented as:		
Biological assets, current	126,523	136,979
Biological assets, non-current	39,658	40,845
Biological assets presented as biological inventories	197,837	205,208
	364,018	383,032

Movement in biological assets:

	Group	
	2023 US$'000	2022 US$'000
At 1 January	383,032	874,178
Additions through business combination	–	221
Net (sales)/additions	(17,550)	152,817
Changes in fair value		
– Continuing operations	(943)	(4,736)
– Discontinued operations	–	(30,206)
Fair value gain arising from sales of beef		
– Discontinued operations	–	10,592
Deconsolidation of AAG Group	–	(550,004)
Foreign exchange adjustments	(521)	(69,830)
At 31 December	364,018	383,032

The Group's biological assets with carrying amount of US$38.9 million (2022: US$76.4 million) are pledged as security for banking facilities (Note 30A).

20. REAL ESTATE ASSETS

The real estate assets are lands held for development for future business expansion in Indonesia.

21. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Non-current:				
Other receivables:				
Third parties	1,050	965	–	–
Current:				
Trade receivables:				
Third parties	190,882	174,829	–	–
Associate	2,478	787	–	–
Joint venture	124	770	–	–
Related party	4,917	17,052	–	–
Less: Allowance for impairment	(17,879)	(11,921)	–	–
	180,522	181,517	–	–
Other receivables:				
Third parties	9,245	7,638	67	25
Associate	59	6	–	–
Related party	321	1,646	–	1,266
Subsidiaries	–	–	4,345	3,820
	9,625	9,290	4,412	5,111
Total trade and other receivables, current	190,147	190,807	4,412	5,111
Total trade and other receivables	191,197	191,772	4,412	5,111
Add: Cash at banks (Note 25)	211,879	280,695	26,993	76,816
Add: Deposits (Note 23)	6,559	7,002	144	381
Total financial assets carried at amortised cost	409,635	479,469	31,549	82,308

Trade receivables are non-interest bearing and are generally on average credit period of 1 to 90 days' terms. They are recognised at their original invoice amounts which represents their fair values on initial recognition.

Other receivables from subsidiaries, related party and associate are unsecured. During the year, the other receivables from subsidiaries amounting to Nil (2022: US$48.4 million) were capitalised as the investment in the subsidiaries (Note 17). Other receivables from subsidiaries of US$1.5 million (2022: US$1.6 million) bear interest of 3.00% (2022: 3.00% to 7.77%) per annum and is repayable on demand. The remaining other receivables from subsidiaries are interest free and repayable on demand.

The Group's trade receivables with carrying amount of US$2.9 million (2022: US$9.6 million) are pledged as security for banking facilities (Note 30A).

21. TRADE AND OTHER RECEIVABLES (CONT'D)

Expected credit losses

The movement in allowance for ECL of trade receivables computed based on lifetime ECL as at 31 December are as follows:

	Group	
	2023 US$'000	2022 US$'000
At 1 January	11,921	10,133
Charged to statement of profit or loss	6,252	7,583
Deconsolidation of AAG Group	–	(30)
Bad debts written-off	(454)	(4,429)
Foreign exchange adjustments	160	(1,336)
At 31 December	17,879	11,921

Summarised below is the information about the credit risk exposure on the Group's trade receivables grouped by age past due:

	2023		2022	
Group	Gross carrying amount US$'000	Loss allowance provision US$'000	Gross carrying amount US$'000	Loss allowance provision US$'000
Not past due	139,763	–	134,320	–
Less than 60 days	22,991	13	28,535	11
61 to 90 days	2,878	6	1,995	6
91 to 120 days	1,829	22	1,472	34
Over 120 days	30,940	17,838	27,116	11,870
Total	198,401	17,879	193,438	11,921

22. OTHER FINANCIAL ASSETS AND OTHER FINANCIAL LIABILITIES

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Investment in shares (Note 22A)	9,803	16,218	5,528	12,034
Derivative financial instruments (Note 22B)	14,495	11,135	–	–
				–
	24,298	27,353	5,528	12,034
<u>Presented as:</u>				
Other financial assets, current	5,704	12,219	5,528	12,034
Other financial assets, non-current	18,940	15,408	–	–
Other financial liabilities, current	(346)	(274)	–	–
	24,298	27,353	5,528	12,034

22. Other financial assets and other financial liabilities (cont'd)

22A. Investment in shares

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Quoted equity shares, at fair value	2,971	9,630	2,971	9,630
Unquoted equity shares, at fair value	6,832	6,588	2,557	2,404
	9,803	16,218	5,528	12,034

Quoted and unquoted equity shares, at fair value, represent total financial assets carried at fair value through other comprehensive income.

The quoted investment relates to equity shares listed on Stock Exchange of Hong Kong Limited. The unquoted investments relate to equity shares of entities in Singapore and Indonesia.

22B. Derivative financial instruments

	Group	
	2023 US$'000	2022 US$'000
Foreign currency forward and option contracts	14,495	11,135

	2023		2022	
Group	Notional amount US$'000	Assets US$'000	Notional amount US$'000	Assets US$'000
Foreign currency forward and option contracts	420,633	14,495	423,610	11,135

Foreign currency forward and option contracts

Forward currency forward and option contracts are used to hedge foreign currency risk arising from the Group's bank loans, bonds, and feed purchases denominated in USD for which firm commitments existed at the year end.

Forward currency forward and option contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation technique includes forward pricing model, using present value calculations. The model incorporates various inputs including the credit quality of counterparties, foreign exchange spot and forward rates (Level 2). To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

(a) Different interest rate curve applied to discount the hedged item and hedging instrument

(b) Differences in timing of cash flows of the hedged item and hedging instrument

(c) The counterparties' credit risk differently impacting the fair value movements of the hedging instrument and hedged item.

22. OTHER FINANCIAL ASSETS AND OTHER FINANCIAL LIABILITIES (CONT'D)

22B. Derivative financial instruments (cont'd)

The Group is holding the following foreign currency forward and option contracts:

	Less than 1 year	Maturity 2 – 5 years	Total
As at 31 December 2023			
Foreign currency forward contracts			
Notional amount (in US$'000)	70,633	–	70,633
Average forward rate (IDR/USD)	15,485	–	15,485
Foreign currency option contracts			
Notional amount (in US$'000)	–	350,000	350,000
Average forward rate (IDR/USD)	–	15,416	15,416
As at 31 December 2022			
Foreign currency forward contracts			
Notional amount (in US$'000)	73,610	–	73,610
Average forward rate (IDR/USD)	15,627	–	15,627
Foreign currency option contracts			
Notional amount (in US$'000)	–	350,000	350,000
Average forward rate (IDR/USD)	–	15,731	15,731

The impact of the hedging instruments on the statement of financial position is, as follows:

	Notional amount US$'000	Carrying amount US$'000	Change in fair value US$'000	Presented in
As at 31 December 2023				
Foreign currency forward contracts	70,633	(346)	(346)	Other financial liabilities, current
Foreign currency option contracts	350,000	14,841	14,841	Other financial assets, non-current
	420,633	14,495	14,495	
As at 31 December 2022				
Foreign currency forward contracts	69,524	(274)	(274)	Other financial liabilities, current
Foreign currency forward contracts	4,086	17	17	Other financial assets, current
Foreign currency option contracts	350,000	11,392	11,392	Other financial assets, non-current
	423,610	11,135	11,135	

23. OTHER ASSETS

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Non-current:				
Deposits	5,678	5,572	–	–
Prepayments	12,560	9,628	–	–
Advances *	22,930	18,352	–	–
Tax recoverable	2,307	4,272	–	–
	43,475	37,824	–	–
Current:				
Deposits	881	1,430	144	381
Advances *	19,084	19,931	–	4
Prepayments	16,039	16,099	1,693	534
			–	
	36,004	37,460	1,837	919

* Advances are mainly advances for purchase of property, plant and equipment amounting US$31.1 million (2022: US$25.9 million) and advances to suppliers of US$4.3 million (2022: US$7.2 million).

24. INVENTORIES

	Group	
	2023 US$'000	2022 US$'000
Finished goods	108,304	96,799
Work in process	6,998	8,744
Raw materials	586,875	583,575
Consumables	52,025	54,597
	754,202	743,715

The cost of inventories recognised as an expense in cost of sales were US$3.9 billion (2022: US$3.8 billion).

An inventory write down of US$1.5 million was recorded as an expense in other loss during the year (2022: US$4.6 million).

The Group's inventories with carrying amount of US$89.5 million (2022: US$88.3 million) are pledged as security for banking facilities (Note 30A).

25. CASH AT BANKS

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Cash and bank balances	156,853	235,186	16,993	76,816
Short term bank deposits	54,460	45,195	10,000	–
Cash pledged for bank facilities	566	314	–	–
	211,879	280,695	26,993	76,816

The short-term bank deposits bear interest ranging from 0.2% to 7.0% (2022: 4.0% to 10.2%) per annum.

25A. Cash and cash equivalents in the consolidated statement of cash flows

	Group	
	2023 US$'000	2022 US$'000
Amount as shown above	211,879	280,695
Cash pledged for bank facilities (Note 30A)	(566)	(314)
Cash and cash equivalents in consolidated statement of cash flows	211,313	280,381

25B. Non-cash transactions

The net cash incurred for the purchase of property, plant and equipment is as follows:

	Group	
	2023 US$'000	2022 US$'000
Additions of property, plant and equipment (Note 13)	156,001	322,644
Add/(less) net movements in liability for purchase/ construction of plant and equipment (Note 29)	14,285	9,865
Purchase of property, plant and equipment in consolidated statement of cash flows	170,286	332,509

26. SHARE CAPITAL AND TREASURY SHARES

26A. Share capital

	Group and Company			
	2023		2022	
	Number of shares issued	Share Capital US$'000	Number of shares issued	Share capital US$'000
Issued and fully paid ordinary shares:				
At 1 January	2,067,423,320	478,898	2,067,423,320	1,059,882
Capital reduction	–	–	–	(580,984)
At 31 December	2,067,423,320	478,898	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.

In financial year 2022, the Company undertook a capital reduction exercise to distribute the shares in AAG to shareholders of the Company.

26B. Treasury shares

	Group and Company			
	2023		2022	
	Number of shares	Amount US$'000	Number of shares	Amount US$'000
At 1 January	27,587,800	13,724	26,622,800	14,125
Acquired during the year	4,116,300	697	6,746,400	2,666
Reissue of shares under Performance Share Plan (Note 27C)	(1,306,100)	(604)	(5,781,400)	(3,067)
At 31 December	30,398,000	13,817	27,587,800	13,724

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

The Company acquired 4,116,300 (2022: 6,746,400) shares in the Company through purchases on the Singapore Exchange during the year. The total amount paid to acquire the shares was US$0.7 million (2022: US$2.6 million) and this was presented as a component within shareholders' equity.

27. OTHER RESERVES AND TRANSLATION RESERVE

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
General reserve (Note 27A)	18,994	18,994	–	–
Capital reserve (Note 27B)	(5,847)	(5,589)	(7,648)	(7,648)
Japfa Performance share plan reserve (Note 27C)	1,363	1,227	1,363	1,227
Fair value reserve (Note 27D)	(6,042)	666	(6,708)	–
Equity reserve (Note 27E)	(11,512)	(11,873)	(11,512)	(11,873)
Cash flow hedge reserve (Note 27F)	(6,867)	(12,722)	–	–
Other reserves	(9,911)	(9,297)	(24,505)	(18,294)
Translation reserve (Note 27G)	(244,032)	(248,664)	–	–
Total	(253,943)	(257,961)	(24,505)	(18,294)

27A. General reserve

The general reserve relates mainly to revaluation surplus attributed to the initial interest held in PT Japfa Tbk.

27B. Capital reserve

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
At 1 January	(5,589)	(245,030)	(7,648)	(7,648)
Reserve arising from changes in non-controlling interests without change in control	(258)	(2,384)	–	–
Deconsolidation of AAG Group	–	241,825	–	–
At 31 December	(5,847)	(5,589)	(7,648)	(7,648)

The capital reserve arises from the acquisitions or disposals of non-controlling interests in subsidiaries without change in control and from the effects of business combination between entities under common control.

In accounting for common control business acquisition, financial statement items of the combining entities for the reporting period in which the common control combination occurs, and for the comparative periods disclosed, are included in the consolidated financial statements of the Group as if the combination had occurred from the date when the combining entities first came under the control of the controlling party or parties. The share capital of the combining entities has been reclassified to capital reserve in the consolidated financial statements of the Group.

27. OTHER RESERVES AND TRANSLATION RESERVE (CONT'D)

27C. Performance share plan reserve

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Japfa Performance Share Plan reserve	1,363	1,227	1,363	1,227

Japfa Performance Share Plan

The Company has a share scheme known as the "Japfa Performance Share Plan" (the "Japfa Ltd PSP"). The Japfa Ltd PSP, which forms an integral component of its compensation plan and is designed to foster an ownership culture within the Group which aligns the interests of the participants with interests of the shareholders of the Company. It provides an opportunity to motivate participants to achieve the Group's key financial and operational goals and makes total employee remuneration sufficiently competitive to recruit and retain staff having skills that are commensurate with the Group's ambition.

Under the rules of the Japfa Ltd PSP, the directors and employees of the Group who have attained the age of 21 years and hold such rank as may be designated by the Remuneration Committee of the Company from time to time are eligible to participate in the Japfa Ltd PSP. Controlling shareholders or their associates are also eligible to participate in the Japfa Ltd PSP subject to the approval of independent shareholders in the form of separate resolutions for each participant and each award granted.

The Remuneration Committee administers the Japfa Ltd PSP in accordance with the rules of the Japfa Ltd PSP. The number of shares to be offered to a participant shall be determined at the discretion of the Remuneration Committee who shall take into account criteria such as the rank, performance, seniority, potential for future development and length of service of the participant provided that:

(a) the total number of shares which may be offered during the entire operation of the Japfa Ltd PSP (including adjustments under the rules) shall not exceed 15% of the shares of the total number of issued shares of the Company (excluding shares held by the Company as treasury shares);

(b) the aggregate number of shares which may be offered to participants who are controlling shareholders and their associates during the entire operation of the Japfa Ltd PSP (including adjustments under the rules) shall not exceed 25% of the shares in respect of which the Company may grant under the Japfa Ltd PSP; and

(c) the number of shares which may be offered to each participant who is a controlling shareholder or his associate during the entire operation of the Japfa Ltd PSP shall not exceed 10% of the shares in respect of which the Company may grant under the Japfa Ltd PSP.

The Japfa Ltd PSP shall continue to be in force at the discretion of the Remuneration Committee, subject to a maximum period of 10 years commencing on 23 July 2014, provided always that the Japfa Ltd PSP may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

27. OTHER RESERVES AND TRANSLATION RESERVE (CONT'D)

27C. Performance share plan reserve (cont'd)

Conditional share awards granted under Japfa Ltd PSP on 28 February 2021 and 1 March 2022

On 28 February 2021, pursuant to Japfa Ltd PSP, the Company granted a share award of 2,089,900 shares, subject to certain conditions being met, to the executive directors and employees of the Group ("FY2021 Awards").

The ordinary shares which are the subject of the awards granted above is based on 100% of the grant. The shares awarded on the vesting date could range from 0% to 200%, depending on the level of achievement against pre-set performance conditions within the performance period. The fair value of awards granted are determined using Monte Carlo Simulation Model and the expense are recognised over the vesting period.

On 6 October 2023, the Company announced that in relation to its FY2021 Awards, the performance period for this grant was from 1 January 2021 to 31 December 2022. The levels of achievement were calculated based on this period and achieved a performance amounting to 1,306,100 equivalent treasury shares. On 17 October 2023, the Company announced that 1,306,100 treasury shares has been transferred and used for 6 October 2023 vesting of conditional shares.

On 1 March 2022, pursuant to Japfa Ltd PSP, the Company granted a share award of 7,900,000 shares, subject to certain conditions being met, to the executive directors and employees of the Group ("FY2022 Awards").

On 1 March 2023, the Company announced that the number of conditional share awards granted in relation to its FY2022 Awards had been reduced from 7,900,000 ordinary shares to 6,223,900 ordinary shares.

Outstanding number of shares award granted

	2023 Number	2022 Number
FY2021 Awards	–	2,089,900
FY2022 Awards	6,223,900	6,223,900
Outstanding at 31 December	6,223,900	8,313,800

The expense recognised for employee services received during the year pursuant to Japfa Ltd PSP plan is US$1.1 million (2022: US$0.8 million).

27D. Fair value reserve

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
At 1 January	666	(5,896)	–	–
Changes in fair value recognised in other comprehensive income	(6,708)	254	(6,708)	–
Deconsolidation of AAG Group	–	6,308	–	–
At 31 December	(6,042)	666	(6,708)	–

Fair value reserve represents the fair value changes recognised for the Group's equity investment for which the Group has elected to present the value changes in other comprehensive income.

27. OTHER RESERVES AND TRANSLATION RESERVE (CONT'D)

27E. Equity reserve

The equity reserve relates mainly to difference in value arising from issuance of shares by the Company under performance share plan.

27F. Cash flow hedge reserve

	Group	
	2023 US$'000	2022 US$'000
At 1 January	(12,722)	(1,561)
Effective portion of changes in fair value arising from foreign currency option contracts	6,295	(11,530)
Share of other comprehensive income of an associate	(440)	369
At 31 December	(6,867)	(12,722)

27G. Translation reserve

	Group	
	2023 US$'000	2022 US$'000
At 1 January	(248,664)	(170,381)
Exchange differences on translating foreign operations	3,472	(106,377)
Share of changes in translation reserve of equity-accounted investees	1,160	(1,920)
Deconsolidation of AAG Group	–	30,014
At 31 December	(244,032)	(248,664)

The translation reserve represents exchange differences arising from the translation of financial statements of foreign operations whose functional currencies are different from presentation currency of the Group.

28. DEFINED BENEFIT PLAN LIABILITIES

	Group 2023 US$'000	Group 2022 US$'000
Present value of unfunded defined benefit	97,797	89,535
Fair value of plan assets	(12,664)	(14,326)
Defined benefit plan liabilities	85,133	75,209

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.

The cost of providing defined benefit plan liabilities was calculated based on actuarial valuations performed by Steven & Mourits (formerly known as PT Dayamandiri Dharmakonsilindo), an independent actuary. The key assumptions used for the purpose of the actuarial valuation at 31 December 2023 and 2022 were as follows:

	2023	2022
Discount rate	6.70%	7.20%
Salary increment rate	6.50%	6.50%
Retirement age	56 – 60 years old	56 – 60 years old
Expected mortality rate	Based on Indonesian Mortality Table (TMI–4) – 2019	Based on Indonesian Mortality Table (TMI–4) – 2019

Movements of the defined benefit plan liabilities recognised in statement of financial position are as follows:

	Group 2023 US$'000	Group 2022 US$'000
At 1 January	75,209	88,643
Net benefit expense recognised in statement of profit or loss under administrative expenses (Note 10)	12,440	6,868
Re-measurement loss/(gain) included in other comprehensive income	3,633	(6,955)
Contributions to plan made	(6,811)	(4,479)
Payments for the year	(644)	(671)
Foreign exchange adjustments	1,306	(8,197)
At 31 December	85,133	75,209

28. DEFINED BENEFIT PLAN LIABILITIES (CONT'D)

Net benefit expense recognised in statement of profit or loss under administrative expenses is as follows:

	Group	
	2023 US$'000	2022 US$'000
Service costs	8,168	7,712
Interest cost	5,307	5,102
Adjustment due to changes in attribution method	46	(5,946)
Past service costs and gain from settlements	(1,081)	–
	12,440	6,868

Re-measurement loss included in other comprehensive income is as follows:

	Group	
	2023 US$'000	2022 US$'000
Re-measurement gain as above	3,633	(6,955)
Income tax effect	(676)	1,408
Re-measurement of the net defined benefits plan, net of tax	2,957	(5,547)

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

	Group	
	2023 US$'000	2022 US$'000
At 1 January	14,326	16,920
Interest income	879	1,069
Return on plan assets (excluding amounts included in net interest expense)	(246)	(631)
Contributions from the employer	6,811	4,479
Benefits paid	(9,370)	(5,880)
Foreign exchange adjustments	264	(1,631)
At 31 December	12,664	14,326

28. DEFINED BENEFIT PLAN LIABILITIES (CONT'D)

The fair values of each major class of plan assets are as follows:

	Group	
	2023 US$'000	2022 US$'000
Investment with fund manager in money market instruments	11,932	13,599
Investment with insurer	732	727
Total	12,664	14,326

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit plan liabilities as of the end of the reporting period, assuming if all other assumptions were held constant:

	2023		2022	
Group	Increase/ (decrease)	Change in present value of defined benefit plan liabilities US$'000	Increase/ (decrease)	Change in present value of defined benefit plan liabilities US$'000
Discount rate	1%	(5,910)	1%	(5,067)
	(1%)	6,623	(1%)	6,253
Salary increase rate	1%	6,894	1%	6,529
	(1%)	(6,258)	(1%)	(5,407)

29. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Trade payables:				
Third parties	169,344	193,078	5	42
Associate entity	65	107	–	–
Joint venture entity	39	334	–	–
	169,448	193,519	5	42
Other payables:				
Third parties and accrued expenses	114,530	106,248	2,573	1,566
Subsidiary	–	–	–	2,832
Payable for purchase/ construction of plant and equipment	302	252	–	–
	114,832	106,500	2,573	4,398
Total	284,280	300,019	2,578	4,440
Presented as:				
Trade and other payables, current	283,865	299,596	2,578	4,440
Trade and other payables, non-current	415	423	–	–
	284,280	300,019	2,578	4,440
Trade and other payables, as above	284,280	300,019	2,578	4,440
– Loans and borrowings (Note 30)	1,312,256	1,274,572	–	–
– Lease liabilities (Note 31)	173,396	168,638	30	532
Total financial liabilities carried at amortised cost	1,769,932	1,743,229	2,608	4,972

Trade and other payables are non-interest bearing. Trade payables are normally settled on 60 day terms while other payables have an average term of six months.

Other payables to subsidiary were unsecured, non-interest bearing and repayable on demand.

30. LOANS AND BORROWINGS

	Group 2023 US$'000	Group 2022 US$'000
Non-current:		
Floating interest rate financial instruments:		
Bank loans (Note 30A)	237,625	275,713
Fixed interest rate financial instruments:		
Bonds payable (Note 30B)	343,112	341,272
Non-current, total	580,737	616,985
Current:		
Floating interest rate financial instruments:		
Bank loans (Note 30A)	727,551	655,948
Fixed interest rate financial instruments:		
Bank loans (Note 30A)	3,968	1,639
Current, total	731,519	657,587
Total	1,312,256	1,274,572

	%	%
Range of floating interest rates per annum:		
Bank loans	1.93 – 8.93	1.70 – 11.50
Range of fixed interest rates per annum:		
Bank loans	9.00 – 11.40	9.00
Bonds payable	5.38	5.38

30A. Bank loans

The bank loans amounting to US$480.4 million (2022: US$457.7 million) are secured by property, plant and equipment, cash and cash equivalents, trade receivables, inventories, biological assets, assessment of insurance policies and covered corporate guarantees of the Company and its subsidiaries

The bank loans comprise of working capital loans and team loans used to finance the purchase of property, plant and equipments. The loan agreements generally include covenants that require the maintenance of certain financial ratios. Any non-compliance with these covenants will result in these loans becoming repayable upon service of notice of default of the lenders.

The fair value (Level 2) of bank loans totalling US$965.2 million (2022: US$931.7 million) that bear floating rates of interest is a reasonable approximation of the carrying amount due to their short-term nature or that they are floating rate instruments that are frequently re-priced to market interest rates.

30. LOANS AND BORROWINGS (CONT'D)

30B. Bonds payable

	Group 2023 US$'000	Group 2022 US$'000
US Dollar Bond payable	350,000	350,000
Less: Accumulated US Dollar Bond bought back	(2,000)	(2,000)
	348,000	348,000
Less: Unamortised transaction costs	(4,888)	(6,728)
	343,112	341,272

Effective interest rates per annum:

	%	%
US Dollar Bond payable	5.49	5.49

The fair values of bonds payables are as follows:

	Level	Group 2023 US$'000	Group 2022 US$'000
US Dollar Bond payable	1	304,183	298,354

US Dollar Bond payable

In March 2021, PT Japfa Tbk, a subsidiary, issued 5.375% Guaranteed Senior Notes Due 2026 with aggregate principal amount of US$350 million, interest is payable every six months up to March 23, 2026. The type of the notes is a Sustainability-Linked Bond (SLB) and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST). The subsidiary has an option to redeem the bonds partially or in full, after a year from the issuance date.

Bonds bought back

In financial year 2022, PT Japfa Tbk, a subsidiary, paid US$1.6 million to buy back Bonds payable which had a principal amount of US$2.0 million.

30. LOANS AND BORROWINGS (CONT'D)

30B. Bonds payable (cont'd)

A reconciliation of liabilities arising from financing activities is as follows:

	Opening balance US$'000	Cash flows US$'000	Non-cash changes Amortisation US$'000	Non-cash changes Deconsolidation of AAG Group US$'000	Non-cash changes Foreign exchange movement US$'000	Closing balance US$'000
2023						
Bank loans	933,300	29,902	1,868	–	4,074	969,144
Bonds payable	341,272	–	2,003	–	(163)	343,112
Total	1,274,572	29,902	3,871	–	3,911	1,312,256
2022						
Bank loans	898,289	410,501	2,662	(311,926)	(66,226)	933,300
Bonds payable	410,607	(65,148)	1,969	–	(6,156)	341,272
Total	1,308,896	345,353	4,631	(311,926)	(72,382)	1,274,572

31. LEASE LIABILITIES

	Group 2023 US$'000	Group 2022 US$'000	Company 2023 US$'000	Company 2022 US$'000
Present value:				
Amounts due for settlement within 12 months	17,118	20,542	30	503
Amounts due for settlement after 12 months	156,278	148,096	–	29
	173,396	168,638	30	532
Maturity analysis (gross amount):				
Not later than 1 year	36,629	35,945	30	511
Later than 1 year and not later than 5 years	110,453	109,584	–	29
Later than 5 years	160,101	144,725	–	–
	307,183	290,254	30	540

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored with the Group's treasury function.

31. LEASE LIABILITIES (CONT'D)

The Group had recognised the total expense relating to leases as follows:

	2023 US$'000	2022 US$'000
Expenses relating to short-term leases	13,938	11,394
Expenses relating to leases of low value assets	946	1,194
Expenses relating to variable lease contracts	1,325	1,294

At 31 December 2023, the Group is committed to US$0.6 million (2022: US$0.5 million) for short-term leases.

The Group has various lease contracts that have not yet commenced as at 31 December 2023. The future lease payments for these non-cancellable lease contracts are US$1.5 million within one year, US$8.1 million within two to five years and US$18.5 million after 5 years.

The Group has several lease contracts that include extension options which are expected not to be exercised amounted to US$10.0 million (2022: US$10.6 million).

A reconciliation of liabilities arising from financing activities is as follows:

	Group	
	2023 US$'000	2022 US$'000
At 1 January	168,638	287,650
Additions	45,628	138,990
Effect of lease remeasurement	53	(8,960)
Lease termination/expired	(10,575)	(780)
Interest charge	17,472	25,459
Payments	(43,207)	(63,298)
Deconsolidation of AAG Group	–	(191,041)
Foreign exchange movement	(4,613)	(19,382)
At 31 December	173,396	168,638

32. OTHER LIABILITIES

	Group 2023 US$'000	Group 2022 US$'000
Advances received	16,371	11,878
Deferred government grants *	312	352
Others	602	493
	17,285	12,723
Presented as:		
Other liabilities, current	16,409	11,916
Other liabilities, non-current	876	807
	17,285	12,723

* Government grants have been received for the construction of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

33. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

33A. Transaction with the related parties

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 year.

	Group 2023 US$'000	Group 2022 US$'000
Revenue	29,878	45,663
Purchases of goods	9,943	7,608
Insurance expense	2,531	2,907
Rendering of service expense	2,462	2,528
Rental income	1,121	911
Interest income	–	1,551
Rental of premises	2,268	2,184
Rental of boat	246	–
Technical service fee income	386	466

Related parties

The related parties are either the associate, joint ventures entities or companies associated with the controlling shareholders of the Company and the Non-Executive Director, Mr Hendrick Kolonas.

33. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONT'D)

33B. Compensation of key management personnel of the Group

	Group	
	2023 US$'000	2022 US$'000
Salaries and other short-term employee benefits	8,942	13,654
Central Provident Fund contributions	108	129
Share-based payments: Performance share plan	918	700
	9,968	14,483
Comprise amounts paid to:		
Directors of the Company	6,091	8,495
Other key management personnel	3,877	5,988
	9,968	14,483

Compensation of the directors of the Company and other key management personnel in financial year 2022 include remuneration from discontinued operations during the year.

34. CAPITAL COMMITMENTS

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	Group	
	2023 US$'000	2022 US$'000
Construction costs	20,034	29,968
Purchase of property, plant and equipment	22,869	31,828

35. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

The Group categories 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 at the end of the financial year:

	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
2023				
Assets/(liabilities) measured at fair value				
Financial assets/(liabilities):				
Equity securities at FVOCI (Note 22A)				
Quoted equity securities	2,971	–	–	2,971
Unquoted equity securities	–	–	6,831	6,831
Derivatives (Note 22B)				
Foreign currency forward and option contracts	–	14,495	–	14,495
Financial assets as at 31 December 2023	2,971	14,495	6,831	24,297
Non-financial assets:				
Biological assets (Note 19)	–	–	364,018	364,018
Non-financial assets as at 31 December 2023	–	–	364,018	364,018

35. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(b) Assets and liabilities measured at fair value (cont'd)

	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
2022				
Assets/(liabilities) measured at fair value				
Financial assets/(liabilities):				
Equity securities at FVOCI (Note 22A)				
Quoted equity securities	9,630	–	–	9,630
Unquoted equity securities	–	–	6,588	6,588
Derivatives (Note 22B)				
Foreign currency forward and option contracts	–	11,135	–	11,135
Financial assets as at 31 December 2022	9,630	11,135	6,588	27,353
Non-financial assets:				
Biological assets (Note 19)	–	–	383,032	383,032
Non-financial assets as at 31 December 2022	–	–	383,032	383,032

(c) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Equity securities at FVOCI

The investment was valued using Price-to-Sales multiple approach with market observable inputs.

Derivatives

Foreign currency forward and option contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves.

35. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(d) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value		Valuation techniques	Significant unobservable inputs	Range	
	2023 US$'000	2022 US$'000			2023	2022
Productive breeding cattle	1,645	2,155	Market comparable approach	Market-transacted prices determined based on price per head and their weight	US$1,313 to US$2,046 per head	US$1,705 to US$2,457 per head
Productive breeding swine	47,968	63,703	Market comparable approach	Market-transacted prices determined based on price per head and their weight	US$405 to US$3,532 per head	US$361 to US$4,779 per head
Fattening cattle	15,695	20,415	Market comparable approach	Market-transacted prices determined based on price per head and their weight	US$880 to US$3,192 per head	US$1,135 to US$3,323 per head
Breeding chickens and fattening livestock	297,865	295,989	Replacement cost approach	Feed cost	–	–

Equity securities at FVOCI

The fair values of the unquoted equity securities have been estimated using a discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity securities.

35. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(d) Level 3 fair value measurements (cont'd)

(i) Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

Biological assets

Productive breeding swine and productive breeding cattle:

The fair value less costs to sell the productive breeding swine and cattle are determined with reference to the market-determined prices (either derived from sales invoices or from comparable market transactions) of items with similar age, breed and genetic merit, if the market-determined prices are available.

An increase in the estimated market selling price used would result to a higher percentage of increase in the fair value measurement of productive breeding swine and productive breeding cattle.

Productive breeding chickens and fattening livestock:

The fair value of the productive breeding chickens and fattening livestock are determined with reference to the current replacement cost approach. It is regarded to approximate the carrying amount of biological assets stated at cost less accumulated amortisation and impairment losses.

(ii) Movements in Level 3 assets and liabilities measured at fair value

The reconciliation for assets measured at fair value based on significant unobservable inputs (Level 3) is as shown in Note 19.

	Fair value measurements using significant unobservable inputs (Level 3) US$'000
Total loss for the year included in	
Statement of profit or loss:	
2023	
Continuing operations	
– Changes in fair value of biological assets	(943)
2022	
Continuing and discontinued operations	
– Changes in fair value of biological assets	(34,942)

(iii) Valuation policies and procedures

The Group revalues its biological assets portfolio on an annual basis. The fair value is determined by management personnel who have relevant and appropriate experience in the valuation of biological assets. Management reviews the appropriateness of the valuation methodologies and assumptions adopted, and the reliability of the inputs used in the valuations.

35. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(e) Assets and liabilities not measured at fair value, for which fair value is disclosed

The following table shows an analysis of assets/liabilities not measured at fair value, for which fair value is disclosed:

	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
2023				
Assets for which fair values are disclosed (Note 15)				
Investment properties	–	36,507	–	36,507
2022				
Assets for which fair values are disclosed (Note 15)				
Investment properties	–	35,776	–	35,776

(f) Trade and other receivables, cash at banks, trade and other payables, loans and borrowings

The carrying amount of these financial assets and financial liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

36. SEGMENT INFORMATION

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by SFRS(I) 8 *Operating Segments*. This disclosure standard has no impact on the reported performance or financial position of the reporting entity.

For management purposes, the Group is organised into the following major strategic operating segments that offer different products and services: (1) animal protein, (2) others. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

Two or more operating segments may be aggregated into a single operating segment if in the judgement of management, the segments have similar economic characteristics and the segments are similar in some aspects such as the nature of the products and services; production processes; type or class of customer; distribution methods.

The segments and types of products and services are as follows:

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

36. SEGMENT INFORMATION (CONT'D)

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

Others include corporate office, central purchasing office and consolidation adjustments which are not directly attributable to a particular business segment above.

As disclosed in Note 17D, the results of AAG Group are reported as a Discontinued Operations in the financial year 2022.

AAG Group was previously reported under the Dairy segment for production of raw milk and beef operation in China.

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 material accounting policies information.

The management reporting system evaluates performances based on operating statement of profit or loss and is measured in the same way as operating statement of profit or loss in the consolidated financial statements.

Information about reportable segments

	Animal Protein – PT Japfa Tbk US$'000	Animal Protein – Other US$'000	Sub-total US$'000	Others US$'000	Group US$'000
2023					
Continuing operations					
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 adjustments gain/(loss)	(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 from continuing operations	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 from continuing operations, net of tax	54,515	(56,859)	(2,344)	(3,622)	(5,966)
Discontinued operations					
Profit after tax from discontinued operations					–
Profit for the year, net of tax					(5,966)

36. SEGMENT INFORMATION (CONT'D)

Information about reportable segments (cont'd)

	Animal Protein – PT Japfa Tbk US$'000	Animal Protein – Other US$'000	Sub-total US$'000	Others US$'000	Group US$'000
2022					
Continuing operations					
External revenue	3,281,465	1,038,267	4,319,732	44,068	4,363,800
Inter-segment revenue	1,560	670	2,230	(2,230)	–
Total revenue	3,283,025	1,038,937	4,321,962	41,838	4,363,800
Operating profit/(loss)	180,813	(33,796)	147,017	8,505	155,522
Interest income	637	1,461	2,098	1,667	3,765
Finance costs	(54,860)	(24,498)	(79,358)	(7,701)	(87,059)
Foreign exchange adjustments gain/(loss)	1,584	(2,209)	(625)	(760)	(1,385)
Changes in fair value of biological assets	(795)	(3,941)	(4,736)	–	(4,736)
Share of results of associate and joint ventures	872	–	872	(1,065)	(193)
Others	(4,310)	1,018	(3,292)	615	(2,677)
Profit/(Loss) before tax from continuing operations	123,941	(61,965)	61,976	1,261	63,237
Income tax (expense)/credit	(31,079)	9,953	(21,126)	(3,860)	(24,986)
Profit/(Loss) for the year from continuing operations, net of tax	92,862	(52,012)	40,850	(2,599)	38,251
Discontinued operations					
Profit after tax from discontinued operations					23,394
Profit for the year, net of tax					61,645

36. SEGMENT INFORMATION (CONT'D)

Assets and reconciliations

	Animal Protein – PT Japfa Tbk US$'000	Animal Protein – Other US$'000	Sub-total US$'000	Others US$'000	Group US$'000
2023					
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
2022					
Continuing operations					
Segment assets	1,956,122	858,392	2,814,514	141,084	2,955,598
Unallocated assets	64,512	21,293	85,805	26,454	112,259
Total Group assets	2,020,634	879,685	2,900,319	167,538	3,067,857

Liabilities and reconciliations

	Animal Protein – PT Japfa Tbk US$'000	Animal Protein – Other US$'000	Sub-total US$'000	Others US$'000	Group US$'000
2023					
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
2022					
Continuing operations					
Segment liabilities	1,197,180	659,856	1,857,036	(25,601)	1,831,435
Unallocated liabilities	12,716	4,781	17,497	3,659	21,156
Total Group liabilities	1,209,896	664,637	1,874,533	(21,942)	1,852,591

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.

36. SEGMENT INFORMATION (CONT'D)

Other material items and reconciliations

Capital expenditures

	Animal Protein – PT Japfa Tbk US$'000	Animal Protein – Other US$'000	Sub-total US$'000	Others US$'000	Group US$'000
2023					
Continuing operations	133,426	70,161	203,587	11	203,598
2022					
Continuing operations	127,575	142,309	269,884	14	269,898
Discontinued operations					193,717
Total capital expenditures					463,615

Depreciation and amortisation

	Animal Protein – PT Japfa Tbk US$'000	Animal Protein – Other US$'000	Sub-total US$'000	Others US$'000	Group US$'000
2023					
Continuing operations	80,236	42,309	122,545	460	123,005
2022					
Continuing operations	78,000	37,932	115,932	540	116,472
Discontinued operations					25,173
Total depreciation and amortisation					141,645

36. SEGMENT INFORMATION (CONT'D)

Geographical information

Revenue and non-current assets information

Revenue and non-current assets information based on the geographical location of customers is as follows:

	Revenue		Non-current assets	
	2023	2022	2023	2022
Group	US$'000	US$'000	US$'000	US$'000
Continuing operations				
Indonesia	3,314,753	3,238,962	949,063	879,917
Vietnam	817,053	791,799	431,828	424,662
India	127,933	146,941	41,834	25,791
Myanmar	85,612	88,576	28,095	32,755
Others	83,597	97,522	36,941	39,037
	4,428,948	4,363,800	1,487,761	1,402,162

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

Non-current assets are analysed by the geographical area in which the assets are located. The non–current assets exclude any deferred tax.

Information about a major customer

There are no customers with revenue transactions of over 10% of the Group revenue in 2023 and 2022.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The Group's principal financial assets comprise cash at banks, trade receivables, other receivables, and other non-current assets. The Group has various other financial liabilities such as interest-bearing loans and borrowings and trade payables.

The key financial risks include interest rate risk, foreign currency risk, credit risk, liquidity risk, and commodity price risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks during the year.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Interest rate risk

The Group's interest rate risk mainly arises from loans for working capital and investment purposes. Loans at variable rates expose the Group to fair value interest rate risk.

The Group minimises the interest rates risk by ensuring the loan agreements entered into with partner banks provide sufficient flexibility with regards to adjustments to terms and conditions, as well as early repayment, take-over, and other exit options. In addition, the Group is continuously expanding its choices of debt financing by obtaining loan facilities offering the most competitive terms and conditions in the market.

The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Financial liabilities:				
Fixed rates	520,779	511,801	30	531
Floating rates	965,176	931,661	–	–
	1,485,955	1,443,462	30	531
Financial assets:				
Fixed rates	52,559	42,736	11,500	1,500
Floating rates	1,902	2,460	–	50
	54,461	45,196	11,500	1,550

The floating rate debt obligations are with interest rates that are re-set at regular intervals. The interest rates are disclosed in the respective notes. When considered appropriate, in order to manage the interest rate risk, interest rate swaps are entered into to mitigate the fair value risk relating to fixed–interest liabilities and the cash flow risk related to variable interest rate liabilities.

Sensitivity analysis:

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
A hypothetical increase in interest rates by 100 basis points would increase/ (decrease) profit before tax by	(9,633)	(9,292)	–	–

The analysis has been performed separately for fixed interest rate and floating interest rate over a year for financial instruments. The impact of a change in interest rates on fixed interest rate financial instruments has been assessed in terms of changing of their fair value. The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on statement of profit or loss. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Foreign currency risk

The Group's exposure to foreign currency risk relates principally to the Group's subsidiaries in Indonesia, Vietnam, India and Myanmar where some of the transactions are denominated in United States Dollar ("USD"). The functional currencies of the Group's subsidiaries in Indonesia, Vietnam, India and Myanmar are Indonesia Rupiah ("IDR"), Vietnam Dong, ("VND"), India Rupee ("INR"), and Myanmar Kyat ("MMK") respectively.

Therefore, the fluctuations in the exchange rate could affect the Group's operation results. The Group entered into forward currency contracts to hedge foreign currency risk arising from the Group's bank loans denominated in USD as disclosed in Note 22B.

At 31 December 2023, based on a sensitivity simulation, had the exchange rate of respective functional currencies of the Group entities against the USD depreciated/appreciated by 10%, with all other variables held constant, profit before income tax expense on 31 December 2023 and 31 December 2022 would have been US$32.5 million and US$30.5 million lower/higher respectively, mainly as a result of foreign exchange gains/losses on the translation of cash and cash equivalents, trade receivables, other receivables, trade payables and loan and borrowings denominated in USD.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and short-term deposits and derivatives), the Group and Company minimises credit risk by dealing exclusively with high credit rating counterparties.

With regards to credit risk exposures from trade receivables, the Group manages and controls the credit risk by dealing only with recognised and credit worthy parties, setting internal policies on verifications and authorizations of credit, and regularly monitoring the collectability of receivables to reduce the exposure for bad debts. Management believes that there are no significant concentrations of credit risk.

Concentration of trade receivables customers as at the end of the reporting year:

	Group	
	2023 US$'000	2022 US$'000
Top 1 customer	5,375	5,337
Top 2 customers	9,825	9,576
Top 3 customers	13,855	13,420

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 21 (Trade and other receivables).

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Liquidity risk

The Group and the Company aims to maintain sufficient cash and credit lines to meet its liquidity requirements. The Group and the Company finances its working capital requirements through external bank and other borrowings as set out in Note 30.

The following table analyses the non-derivative financial liabilities at the end of the reporting year by remaining contractual maturity (contractual and undiscounted cash flows):

Group	Less than 1 year US$'000	2 – 5 years US$'000	After 5 years US$'000	Total US$'000
2023				
Gross borrowing commitments	774,873	687,721	6,309	1,468,903
Gross lease commitments	36,629	110,453	160,101	307,183
Trade and other payables	283,865	415	–	284,280
	1,095,367	798,589	166,410	2,060,366
2022				
Gross borrowing commitments	699,541	652,596	22,596	1,374,733
Gross lease commitments	35,945	109,584	144,725	290,254
Trade and other payables	299,596	423	–	300,019
	1,035,082	762,603	167,321	1,965,006

Company	Less than 1 year US$'000	2 – 5 years US$'000	Total US$'000
2023			
Gross lease commitments	30	–	30
Trade and other payables	2,578	–	2,578
Financial guarantee contracts – in favour of subsidiaries	353,280	–	353,280
	355,888	–	355,888
2022			
Gross lease commitments	512	28	540
Trade and other payables	4,440	–	4,440
Financial guarantee contracts – in favour of subsidiaries	356,409	–	356,409
	361,361	28	361,389

The undiscounted amounts on the borrowings with fixed and floating interest rates are determined by reference to the conditions existing at the reporting date.

Financial guarantee contracts – For issued financial guarantee contracts the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called. At the end of the reporting year no claims on the financial guarantees are expected to be payable.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Liquidity risk (cont'd)

The following table analyses the derivative financial liabilities at the end of the reporting year by remaining contractual maturity (contractual and undiscounted cash flows):

	Less than 1 year	
Group	2023 US$'000	2022 US$'000
Foreign currency forward and option contracts	14,495	11,135

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statements of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

Commodity risks

Commodity price risk is the risk of fluctuations in the price of raw material used in feed production such as corn and soybean meal, which are commodities. The Group is generally able to pass through raw material cost increases into its feed selling prices, which mitigates the commodity price risk.

In addition, the Group continuously reviews the optimal inventory level and enters into purchase agreements with reference to cost prices, the production plan and materials requirements.

Capital management

In order to maintain its listing on the Singapore Stock Exchange, the Company has to have share capital with a free float of at least 10% of its shares. The Company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the share registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

The objectives when managing capital are to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity.

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For the financial year ended 31 December 2023

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Capital management (cont'd)

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt/adjusted capital (as shown below). Net debt is calculated as total loans and borrowings less cash at banks.

	Group	
	2023 US$'000	2022 US$'000
Net debt:		
All current and non–current loans and borrowings	1,312,256	1,274,572
All current and non–current lease liabilities	173,396	168,638
Less: Cash at banks	(211,879)	(280,695)
Net debt	1,273,773	1,162,515
Total equity	1,192,537	1,215,266
Debt-to-adjusted capital ratio	1.1 times	1.0 time

38. DIVIDENDS

	Group	
	2023 US$'000	2022 US$'000
Dividends paid during the year		
Dividends on ordinary shares:		
Final tax exempt (1-tier) dividend of 1.5 Singapore cents per share paid for year ended 31 December 2021	–	21,946
Final tax exempt (1-tier) dividend of 1.0 Singapore cent per share paid for year ended 31 December 2022	15,211	–
	15,211	21,946

39. CONTINGENT LIABILITIES

39A. Corporate guarantees

Company	2023 US$'000	2022 US$'000
Corporate guarantees in favour of subsidiaries	353,280	356,409

40. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 26 March 2024.

STATISTICS OF SHAREHOLDINGS

As at 04 March 2024

Issued and Paid-up Share Capital	:	$567,276,650.88
Number of issued shares	:	2,067,423,320
Treasury Shares	:	30,398,000
Issued shares less treasury	:	2,037,025,320
Class of Shares	:	ordinary shares
Voting Rights	:	one vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	10	0.29	560	0.00
100 – 1,000	380	10.96	325,948	0.02
1,001 – 10,000	1,439	41.51	9,061,618	0.44
10,001 – 1,000,000	1,614	46.55	98,143,189	4.82
1,000,001 AND ABOVE	24	0.69	1,929,494,005	94.72
Total	**3,467**	**100.00**	**2,037,025,320**	**100.00**

SHAREHOLDING HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 4 March 2024, approximately 18.70% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	DB NOMINEES (SINGAPORE) PTE LTD	1,063,014,300	52.18
2	CITIBANK NOMINEES SINGAPORE PTE LTD	430,552,926	21.14
3	RAFFLES NOMINEES (PTE.) LIMITED	290,555,799	14.26
4	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	22,353,030	1.10
5	DBS NOMINEES (PRIVATE) LIMITED	19,861,308	0.98
6	DBSN SERVICES PTE. LTD.	14,981,301	0.74
7	GOI SENG HUI	14,512,000	0.71
8	HSBC (SINGAPORE) NOMINEES PTE LTD	11,172,138	0.55
9	PHILLIP SECURITIES PTE LTD	9,266,903	0.45
10	UOB KAY HIAN PRIVATE LIMITED	7,522,850	0.37
11	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	5,991,600	0.29
12	ABN AMRO CLEARING BANK N.V.	5,680,200	0.28
13	HENG SIEW ENG	5,449,000	0.27
14	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	4,890,960	0.24
15	MAYBANK SECURITIES PTE. LTD.	4,861,960	0.24
16	OCBC SECURITIES PRIVATE LIMITED	3,682,000	0.18
17	IFAST FINANCIAL PTE. LTD.	3,626,000	0.18
18	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	2,916,500	0.14
19	TIGER BROKERS (SINGAPORE) PTE. LTD.	2,004,400	0.10
20	GOH GEOK KHIM	1,650,000	0.08
	Total		

STATISTICS OF SHAREHOLDINGS

As at 04 March 2024

SUBSTANTIAL SHAREHOLDERS

Substantial shareholders as recorded in the Register of Substantial Shareholders as at 4 March 2024

Substantial Shareholders	Direct Interest No. of Shares	%	Deemed Interest No. of Shares	%	Total Interest No. of Shares	%
Rangi Management Limited (1)(2)(3)(7)	1,061,976,500	52.13	–	–	1,061,976,500	52.13
Fusion Investment Holdings Limited (1)(2)	–	–	1,061,976,500	52.13	1,061,976,500	52.13
Tasburgh Limited (2)(3)(7)	106,714,375	5.24	–	–	106,714,375	5.24
Morze International Limited (2)(4)(6)	310,779,793	15.26	–	–	310,779,793	15.26
Highvern Trustees Limited (2)(3)(4)(5)	–	–	1,479,470,668	72.63	1,479,470,668	72.63
Scuderia Trust (5)	–	–	1,168,690,875	57.37	1,168,690,875	57.37
Capital Two Trust (6)	–	–	310,779,793	15.26	310,779,793	15.26
MNM Holdings Limited (7)	–	–	1,479,470,668	72.63	1,479,470,668	72.63
Mr Martin John Hall (7)	–	–	1,479,470,668	72.63	1,479,470,668	72.63
Ms Naomi Julia Rive (7)	–	–	1,479,470,668	72.63	1,479,470,668	72.63
Ms Rachel Anastasia Kolonas (6)(8)	–	–	310,779,793	15.26	310,779,793	15.26
Ms Tati Santosa (6)	–	–	310,779,793	15.26	310,779,793	15.26
Mdm Farida Gustimego Santosa (5)(11)	–	–	1,168,690,875	57.37	1,168,690,875	57.37
Mr Renaldo Santosa (5)(9)(10)(12)	–	–	1,238,675,175	60.81	1,238,675,175	60.81
Ms Gabriella Santosa (5)(9)(10)(13)	–	–	1,236,590,875	60.71	1,236,590,875	60.71

Notes

(1) Fusion Investment Holdings Limited holds the entire issued and paid-up capital of Rangi Management Limited. By virtue of Section 4 of the SFA, Fusion Investment Holdings Limited is deemed to have an interest in the Shares held by Rangi Management Limited.

(2) The shares in each of Fusion Investment Holdings Limited, Tasburgh Limited and Morze International Limited are collectively held by Magnus Nominees Limited and Fidelis Nominees Limited as bare trustees on trust for their sole shareholder, Highvern Trustees Limited, as trustee of the Scuderia Trust and the Capital Two Trust. By virtue of Section 4 of the SFA, Highvern Trustees Limited is deemed to have an interest in the Shares held by Rangi Management Limited, Tasburgh Limited and Morze International Limited. Highvern Trustees Limited is a professional trustee.

(3) Highvern Trustees Limited is the trustee of the Scuderia Trust which is a reserved power discretionary trust. The Shares held by Rangi Management Limited and Tasburgh Limited are assets of the Scuderia Trust. The beneficiaries of the Scuderia Trust are Mdm Farida Gustimego Santosa, her children (Renaldo Santosa, Gabriella Santosa, Mikael Santosa and Raffaela Santosa) and remoter issue. Pursuant to Section 4 of the SFA, the beneficiaries of the Scuderia Trust are deemed to have an interest in the Shares held by Rangi Management Limited and Tasburgh Limited.

(4) Highvern Trustees Limited is the trustee of the Capital Two Trust which is a reserved power discretionary trust. The Shares held by Morze International Limited are assets of the Capital Two Trust. The settlor of Capital Two Trust is Ms. Rachel Anastasia Kolonas. The beneficiaries of the Capital Two Trust are Rachel Anastasia Kolonas, her issue and remoter issue and Tati Santosa. Pursuant to Section 4 of the SFA, the beneficiaries of the Capital Two Trust are deemed to have an interest in the Shares held by Morze International Limited.

(5) MNM Holdings Limited is the holding company of Highvern Trustees Limited, which has an interest in the Shares as trustee of the Scuderia Trust and the Capital Two Trust. See Note (4) above. MNM Holdings Limited is wholly-owned by Martin John Hall and Naomi Julia Rive in equal shareholding proportions. By virtue of Section 4 of the SFA, each of MNM Holdings Limited, Martin John Hall and Naomi Julia Rive and is deemed to be indirectly interested in the Shares that Highvern Trustees Limited is interested in.

(6) Ms. Rachel Anastasia Kolonas is the settlor of the Capital Two Trust. Under the terms of the Capital Two Trust, she is entitled, as an investment power holder, to direct the trustee of the Capital Two Trust to procure to the best of its ability that the directors of Morze International Limited act in accordance with her instructions in relation to the investments of the Capital Two Trust. Accordingly she can control the exercise of the rights of the Shares held under the Capital Two Trust. By virtue of Section 4 of the SFA, Ms. Rachel Anastasia Kolonas is deemed to have an interest in the Shares held by Morze International Limited.

(7) Mr Renaldo Santosa and Ms Gabriella Santosa have been appointed as the joint investment power holders of the Scuderia Trust. Under the terms of the Scuderia Trust, they are jointly entitled, as investment power holders, to direct the trustee of the Scuderia Trust to procure to the best of its ability that the directors of Fusion Investment Holdings Limited and Tasburgh Limited act in accordance with their instructions in relation to the investments of the Scuderia Trust. See Note (5) above. As the sole shareholder of Rangi Management Limited, Fusion Investment Holdings Limited is entitled to determine the composition of the board of directors of Rangi Management Limited. Accordingly, Mr Renaldo Santosa and Ms Gabriella Santosa can jointly control the exercise of the rights of the shares held by Fusion Investment Holdings Limited in Rangi Management Limited and through the board of directors appointed by Fusion Investment Holdings Limited, control the exercise of the rights of the Shares held by Rangi Management Limited under the Scuderia Trust. By virtue of Section 4 of the SFA, Mr Renaldo Santosa and Ms Gabriella Santosa are each deemed to have an interest in the Shares held by Rangi Management Limited and Tasburgh Limited. The shareholding interests of Mr Renaldo Santosa and Ms Gabriella Santosa have been prepared as if they were appointed the joint investment power holders of the Scuderia Trust as at 4 March 2024

(8) Tallowe Services Inc. holds 67,700,000 Shares. The shares of Tallowe Services Inc. are held by Magnus Nominees Limited and Fidelis Nominees Limited as bare trustees for the estate of Mr Handojo Santosa. Mr Renaldo Santosa and Ms Gabriella Santosa are beneficiaries of Mr Handojo Santosa's interest in Tallowe Services Inc.

(9) Mdm Farida Gustimego Santosa is a beneficiary under the Scuderia Trust. See Note (3) above

(10) Mr Renaldo Santosa is a beneficiary under the Scuderia Trust and has also been appointed as an investment power holder of the Scuderia Trust. See Notes (3) and (5) above. Mr Renaldo Santosa is also deemed to have an interest in the Shares held by Tallowe Services Inc.. See Note (8) above. Mr Renaldo Santosa additionally holds 1,784,300 Shares through his client account with a financial institution.

(11) Ms Gabriella Santosa is a beneficiary under the Scuderia Trust and has also been appointed as an investment power holder of the Scuderia Trust. See Notes (3) and (5) above. Ms Gabriella Santosa is also deemed to have an interest in the Shares held by Tallowe Services Inc.. See Note (8) above.

NOTICE OF ANNUAL GENERAL MEETING

JAPFA LTD

(Incorporated in the Republic of Singapore)
Company Registration No. 200819599W

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting ("AGM") of Japfa Ltd (the "Company") will be held at York Hotel Singapore, Carlton Hall, Level 2, 21 Mount Elizabeth, Singapore 228516 on Thursday, 18 April 2024 at 2.00 p.m. to transact the following business:

(A) ROUTINE BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2023, together with the Auditors' Report. **Resolution 1**

2. To re-elect the following Directors, retiring pursuant to Regulation 112 of the Company's Constitution and who, being eligible, offer themselves for re-election:

   Tan Hwee Hua @ Lim Hwee Hua (see Note 1) **Resolution 2**

   Tan Yong Nang (see Note 2) **Resolution 3**

   Kevin John Monteiro (see Note 3) **Resolution 4**

   Renaldo Santosa (see Note 4) **Resolution 5**

   Hendrick Kolonas (see Note 5) **Resolution 6**

   Manu Bhaskaran (see Note 6) **Resolution 7**

   Tan Kian Chew (see Note 7) **Resolution 8**

   Chia Wee Boon (See Note 8) **Resolution 9**

3. To approve payment of Directors' Fee up to 31 March 2025 based on the existing Directors' Fee structure (See Note 9). **Resolution 10**

4. To re-appoint Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 11**

(B) SPECIAL BUSINESS

To consider and if thought fit, to pass the following ordinary resolutions, with or without any modification:

5. **Authority for Directors to issue additional shares and convertible instruments pursuant to Section 161 of the Companies Act 1967** **Resolution 12**

   "That pursuant to Section 161 of the Companies Act 1967, the Directors of the Company be authorised and empowered to:

   (i) (a) issue Shares whether by way of rights, bonus or otherwise; and/or

   (b) make or grant offers, agreements or options (collectively, the "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(ii) (notwithstanding that the authority conferred by this resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this resolution is in force,

provided that:

(1) the aggregate number of Shares issued pursuant to this resolution (including Shares issued in pursuance to any Instruments made or granted pursuant to this resolution), does not exceed 50 per cent. of the total number of issued Shares excluding treasury Shares (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company (including Shares to be issued in pursuant of Instruments made or granted pursuant to this resolution) does not exceed 20 per cent. of the total number of issued Shares excluding treasury Shares (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares in the capital of the Company at the time this resolution is passed (excluding treasury Shares), after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this resolution is passed; and

(ii) any subsequent bonus issue or consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Companies Act 1967, the Listing Manual of the SGX-ST (including supplemental measures thereto) for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier."

6. **Proposed Renewal of the Share Purchase Mandate** **Resolution 13**

"That:

(a) for the purposes of Sections 76C and 76E of the Companies Act 1967 of Singapore, as amended or modified from time to time (the "**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary Shares in the capital of the Company (the "**Shares**") not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) ("**Market Purchase(s)**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") transacted through the SGX-ST trading system and/or any other securities exchange on which the Shares may for the time being be listed and quoted (the "**Other Exchange**"); and/or

(ii) off-market purchase(s) ("**Off-Market Purchase(s)**") (if effected otherwise than on the SGX-ST or, as the case may be, the Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, the Other Exchange, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held;

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held; or

(iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Average Closing Price**" means:

(i) in the case of a Market Purchase, the average of the closing market prices of a Share over the five consecutive Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, the Other Exchange, immediately preceding the date of the Market Purchase by the Company; or

(ii) in the case of an Off-Market Purchase, the average of the closing market prices of a Share over the five consecutive Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, the Other Exchange, immediately preceding the date of the making of the offer pursuant to the Off-Market Purchase,

and deemed to be adjusted in accordance with the Listing Manual of the SGX-ST for any corporate action that occurs during the relevant five-day period and the day on which the purchases are made;

"**date of the making of the offer**" means the date on which the Company makes an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"**Market Day**" means a day on which the SGX-ST is open for trading in securities;

"**Maximum Percentage**" means that number of issued Shares representing 10.0% of the issued Shares (excluding treasury Shares) as at the date of the passing of this Ordinary Resolution; and

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax, and other related expenses) which shall not exceed:

(i) in the case of a Market Purchase, 105.0% of the Average Closing Price of the Shares; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 105.0% of the Average Closing Price of the Shares; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution."

7. To transact any other business of an Annual General Meeting.

By Order of the Board of Directors

Tan Yong Nang
Executive Director and Chief Executive Officer

1 April 2024

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

1. Mdm Tan Hwee Hua @ Lim Hwee Hua, will upon re-election, continue to serve as the Chairman of the Board of Directors and Chairman of the Nominating Committee. Mdm Tan is an Independent Director.

2. Mr Tan Yong Nang will, upon re-election, continue to serve as an Executive Director and Chief Executive Officer of the Company.

3. Mr Kevin John Monteiro will, upon re-election, continue to serve as an Executive Director and the Chief Financial Officer of the Company.

4. Mr Renaldo Santosa, will, upon re-election, continue to serve as an Executive Director, Head of Strategic Projects and a member of the Nominating Committee.

5. Mr Hendrick Kolonas will, upon re-election, serve as a Non-Executive Director and a member of the Remuneration Committee.

6. Mr Manu Bhaskaran will, upon re-election, continue to serve as the Chairman of the Remuneration Committee and a member of the Audit and Risk Committee. Mr Bhaskaran is an Independent Director.

7. Mr Tan Kian Chew will, upon re-election, serve as the Chairman of the Audit and Risk Committee and a member of the Nominating Committee. Mr Tan is an Independent Director.

8. Mr Chia Wee Boon will, upon re-election, serve as a member of the Audit and Risk Committee and the Remuneration Committee. Mr Chia is an Independent Director.

9. **Existing Directors Fee Structure for Non-Executive Directors**

Appointment	Existing Fees (S$ Per Annum)
Board Chairman	145,000
Board Member	95,000
Audit Committee Chairman	25,000
Remuneration Committee Chairman	20,000
Nominating Committee Chairman	20,000
Lead Independent Director	12,000
Committee Member	15,000

10. Ordinary Resolution 12 is to empower the Directors from the date of the Annual General Meeting until the date of the next Annual General Meeting to issue Shares and Instruments in the Company, up to a number not exceeding 50% of the total number of Shares (excluding treasury Shares) (with a sub-limit of 20% of the total number of Shares (excluding treasury Shares) in respect of Shares to be issued other than on a pro rata basis to shareholders).

11. Ordinary Resolution 13 is to renew the Share Purchase Mandate which was approved by shareholders on 17 April 2023. Please refer to the Appendix to this Notice of Annual General Meeting for more details.

NOTICE OF ANNUAL GENERAL MEETING

IMPORTANT NOTICE FOR SHAREHOLDERS:

1 **AGM Documents**

The Notice of AGM, Proxy Form, the Annual Report 2023 and Annual Report request form ("Request Form") have been made available by electronic means via publication on Company's corporate website at the URL https://japfa.com/investors/general-report/agm-egm. and on the SGX-ST website at the URL https://www.sgx.com/securities/company-announcements. Printed copies of these documents except for the Annual Report 2023, will also be delivered by post to the Members at their registered address.

The Notice of AGM will also be published on the Business Times on Monday, 1 April 2024.

The Annual Report 2023 may be accessed at the Company's website at the URL https://japfa.com/investors/general-report/agm-egm. and on the SGX-ST website at the URL https://www.sgx.com/securities/company-announcements.

Members who wish to receive a printed copy of the Annual Report 2023 may do so by completing the Request Form and sending it to the Company's Share Registrar by **Thursday, 11 April 2024** through any of the following means:

(i) via email to JapfaAEGM2024@boardroomlimited.com; or

(ii) in hard copy by sending personally or by post and lodging the same at the Company's Share Registrar at:
Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue, Keppel Bay Tower #14-07 Singapore 098632.

2 **Appointment of Proxy**

(a) A member who is not a Relevant Intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(b) A member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

(c) "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

A member can appoint the Chairman of the Meeting as his/her/their proxy, but this is not mandatory.

A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.

A proxy needs not be a member of the Company

A member who wishes to appoint proxy(ies) to attend, speak and vote at the AGM on his/her/their behalf should complete, sign and return the instrument of proxy in accordance with the instructions printed thereon.

In relation to the appointment of proxy(ies), a member (whether individual or corporate) appointing his/her/their proxy(ies) should give specific instructions as to his/her/their manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instructions as to voting are given, or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.

The instrument of proxy, together with the letter or power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must be deposited:

(i) by email to the Company's Share Registrar at JapfaAEGM2024@boardroomlimited.com; or

(ii) in hard copy by sending personally or by post and lodging the same at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue #14-07 Keppel Bay Tower, Singapore 098632.

In either case, **before Monday, 15 April 2024**, **2.00 p.m.** and in default the instrument of proxy shall not be treated as valid Investors who hold Shares through Relevant Intermediaries (including SRS Investors) who wish to vote should approach their relevant intermediaries (including their respective SRS Approved Banks) to submit their voting by 8 April 2024 (at least seven (7) working days before the date of the AGM).

3 **Submission of questions in advance of the AGM**

A member may submit relevant questions relating to the resolutions to be tabled for approval at the AGM in advance. To do so, all questions must be submitted, by **Tuesday, 9 April 2024, 2.00 p.m.** through any of the following means:

(i) by email to the Company's Share Registrar at JapfaAEGM2024@boardroomlimited.com; or

(ii) in hard copy by sending personally or by post and lodging the same at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue #14-07 Keppel Bay Tower, Singapore 098632.

A member will be required to provide the following details for verification and if required, contact, purpose:

(i) Full Name;

(ii) NRIC/FIN/Passport/Company Registration number;

(iii) Email address;

(iv) The manner in which you hold shares (if you hold shares directly, please provide your CDP account number; otherwise, please state if you hold your shares through a Relevant Intermediaries (including SRS Investors)).

The Company will endeavour to address all substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM received from Shareholders either before the AGM on SGXNET and the Company's website at the URL https://japfa.com/investors/general-report/agm-egm **before Monday, 15 April 2024**, **2.00 p.m.** (being 72 hours prior to the last date and time for lodgement of Proxy Form) or during the AGM.

4 **Vaccination-Differentiated Safe Management Measures (VDS)**

The Company may implement such VDS and or community Safe Management Measures at the AGM as may be required or recommended under any regulations, directives, measures or guidelines that may be issued from time to time by any government or regulatory agency in Singapore.

NOTICE OF ANNUAL GENERAL MEETING

Personal data privacy:

By submitting a proxy form appointing proxy(ies) or the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

JAPFA LTD
(Incorporated in the Republic of Singapore)
(Company Registration No. 200819599W)

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT:

1. Relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) may appoint more than two (2) proxies to attend, speak and vote at the AGM.
2. Investors who hold Shares through relevant intermediaries (including SRS Investors) who wish to vote should approach their relevant intermediaries (including their respective SRS Approved Banks) to submit their voting instructions at least seven (7) working days before the date of the AGM).
3. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 1 April 2024

This Form has been made available on SGXNET and the Company's website and may be accessed at the URL https://japfa.com/investors/general-report/agm-egm.

*I/We ______________________ (Name) ______________________ (NRIC/Passport Number)

of ____ (Address)

being a *member/ members of Japfa Ltd ("the **Company**") hereby appoint

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

*and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

or failing him/them, the Chairman of the Annual General Meeting ("**AGM**"), as my/our proxy/proxies to attend and vote for me/us on my/our behalf and if necessary at the AGM to be held at York Hotel Singapore, Carlton Hall, Level 2, 21 Mount Elizabeth, Singapore 228516 on Thursday, 18 April 2024 at 2.00 p.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolution to be proposed at the AGM as indicated hereunder. If no specified direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the AGM.

NOTE: The Chairman of the AGM will be exercising his right under Regulation 86(2)(a) of the Constitution of the Company to demand a poll for all Resolutions to be put to the vote at the AGM and at any adjournment thereof. Accordingly, all Resolutions at the AGM will be voted on by way of a poll.

	For *	Against *	Abstain*
Routine Business			
Ordinary Resolution 1 Adoption of the Directors' Statement, the Audited Financial Statements and the Auditor's Report			
Ordinary Resolution 2 Re-election of Tan Hwee Hua @ Lim Hwee Hua as a Director			
Ordinary Resolution 3 Re-election of Tan Yong Nang as a Director			
Ordinary Resolution 4 Re-election of Kevin John Monteiro as a Director			
Ordinary Resolution 5 Re-election of Renaldo Santosa as a Director			
Ordinary Resolution 6 Re-election of Hendrick Kolonas as a Director			
Ordinary Resolution 7 Re-election of Manu Bhaskaran as a Director			
Ordinary Resolution 8 Re-election of Tan Kian Chew as a Director			
Ordinary Resolution 9 Re-election of Chia Wee Boon as a Director			
Ordinary Resolution 10 To approve payment of Directors fee up to 31 March 2025 based on existing Directors' fee structure.			
Ordinary Resolution 11 To re-appoint Ernst & Young LLP as Auditors of the Company and authorise the Directors to fix their remuneration			

	For *	Against *	Abstain*
Special Business			
Ordinary Resolution 12 Authority for Directors to issue additional shares and convertible instruments pursuant to Section 161 of the Companies Act 1967			
Ordinary Resolution 13 To approve the proposed renewal of the Share Purchase Mandate			

* *If you wish to exercise all your votes "For", "Against" or "Abstain" the Ordinary Resolutions, please indicate with a "✓" within the box provided. Otherwise, please indicate the number of votes as appropriate.*

Dated this __________________ day of __________________ 2024

Total Number of Shares Held

____

Signature of member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES:-

1. If the member has Shares entered against his/her/their name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), he/she/they should insert that number of Shares. If the member has Shares registered in his/her/their name in the Register of Members, he/she/they should insert that number of Shares. If the member has Shares entered against his/her/their name in the Depository Register and Shares registered in his/her/their name in the Register of Members, he/she/they should insert the number of Shares entered against his/her/their name in the Depository Register and registered in his/her/their name in the Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by the member.
2. In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/their behalf at the AGM, a member (whether individual or corporate) appointing his/her/their proxy(ies) should give specific instructions as to his/her/their manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instructions as to voting are given, or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.
3. A proxy need not be a member of the Company.
4. The instrument of proxy, together with the letter or power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof must:
   (a) if sent personally or by post, be lodged at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632; or
   (b) if by email, be received by the Company's Share Registrar at JapfaAEGM2024@boardroomlimited.com,
   in either case, by **2.00 p.m. on 15 April 2024** (being 72 hours before the time fixed for the AGM), in default the instrument of proxy shall not be treated as valid.
5. The instrument appointing the proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney duly authorised.
6. The instrument appointing proxy(ies) or the Chairman of the AGM as proxy must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing proxy(ies) or the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 of Singapore or under the hand of an attorney or officer duly authorised, or in some other manner approved by the Directors.
7. A corporation which is a member may, in accordance with Section 179 of the Companies Act 1967 of Singapore, authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM
8. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under this instrument of proxy to the AGM.
9. Where the instrument appointing proxy(ies) or the Chairman of the AGM as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
10. A member of the Company who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member's proxy form appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy (expressed as a percentage as a whole) shall be specified in the instrument of proxy.
11. A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member's instrument of proxy appoints more than two (2) proxies, the number of Shares in relation to which each proxy has been appointed shall be specified in the instrument of proxy.
    "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.
12. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the instrument of proxy. In addition, in the case of a member whose Shares are entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN HWEE HUA @ LIM HWEE HUA
Independent Chairman

TAN YONG NANG
Executive Director and
Chief Executive Officer

KEVIN JOHN MONTEIRO
Executive Director and
Chief Financial Officer

RENALDO SANTOSA
Executive Director and Head of
Strategic Projects

HENDRICK KOLONAS
Non-Executive Director

MANU BHASKARAN
Independent Director

TAN KIAN CHEW
Independent Director

CHIA WEE BOON
Independent Director

AUDIT AND RISK COMMITTEE

TAN KIAN CHEW
Chairman

MANU BHASKARAN

CHIA WEE BOON

NOMINATING COMMITTEE

TAN HWEE HUA @ LIM HWEE HUA
Chairman

RENALDO SANTOSA

TAN KIAN CHEW

REMUNERATION COMMITTEE

MANU BHASKARAN
Chairman

CHIA WEE BOON

HENDRICK KOLONAS

COMPANY SECRETARIES

CHRISTINA CHUA SOOK PING
LLB (Hons)

CHENG SAI HONG
ACS, ACG

INVESTOR RELATIONS

investorcontact@japfa.com

AUDITOR

ERNST & YOUNG LLP
One Raffles Quay
North Tower Level 18
Singapore 048583
Partner-in-charge:
Tan Po Hsiong Jonathan
(Chartered Accountant of Singapore)
Since financial year ended
31 December 2022

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

BOARDROOM CORPORATE & ADVISORY SERVICES PTE LTD
1 Harbourfront Avenue,
Keppel Bay Tower #14-07
Singapore 098632

PRINCIPAL BANKERS

COÖPERATIEVE RABOBANK U.A., SINGAPORE BRANCH (“Rabobank Singapore”)
38 Beach Road
#31-11 South Beach Tower
Singapore 189767

DBS BANK LTD.
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

MALAYAN BANKING BERHAD, SINGAPORE BRANCH
2 Battery Road
Maybank Tower
Singapore 049907

PT BANK CENTRAL ASIA TBK
Menara BCA Jl. MH Thamrin No. 1
Jakarta 10310
Indonesia

PT BANK MANDIRI (PERSERO) TBK
Jl. Jenderal Gatot Subroto Kav. 36-38
Jakarta 12190
Indonesia

PT BANK NEGARA INDONESIA (PERSERO) TBK
GRHA BNI JL. Gen. Sudirman Kav. 01
Jakarta 10220
Indonesia

PT BANK RAKYAT INDONESIA (PERSERO) TBK
BRI Tower Jl. Jendral Sudirman
Kav. 44-46
Jakarta 10210
Indonesia

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED
10 Marina Boulevard
Marina Bay Financial Centre
Tower 2, Level 48
Singapore 018983

UNITED OVERSEAS BANK LIMITED
80 Raffles Place UOB Plaza
Singapore 048624

REGISTERED OFFICE

391B Orchard Road
#18-08 Ngee Ann City Tower B
Singapore 238874

STOCK CODES

SGX: UD2
BLOOMBERG: JAP SP
REUTERS: JAPF.SI

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www.japfa.com

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