



Japfa enters into strategic partnership with TPG and Northstar to accelerate growth in its Southeast Asia branded dairy business

Singapore, 7 December 2020 – Asia’s leading agri-food company Japfa Ltd (“Japfa” or, together with its subsidiaries, the “Group”) today announced that the Group has entered into an agreement with TPG, a leading global investment firm, and Northstar Group (“Northstar”), a leading private equity investor in Southeast Asia, to forge a strategic partnership that is expected to strengthen its position as a premium branded consumer dairy business in Southeast Asia. Under the agreement, TPG and Northstar will collectively hold 80% for a consideration of US\$236mn and Japfa will continue to own 20% of the Southeast Asia branded dairy business, which is a vertically integrated branded dairy products business supported by its own dairy farms. Japfa will continue to support TPG and Northstar in the management of the business.

Japfa’s dairy business, which is operated in two distinctly separate geographies, China and Southeast Asia, has grown considerably in recent years. The demand for healthy and quality dairy products, such as milk and yogurt, is expected to grow in the coming years. To accelerate the next phase of development of Japfa’s dairy business in Southeast Asia, a strategic partnership with reputable and active investors such as TPG and Northstar can bring both funding and senior management expertise to further grow the business. TPG is a global investment firm with approximately US\$85 billion of assets under management, and a track record of successfully developing, amongst others, consumer food and retail businesses. Northstar is a leading private equity firm in Southeast Asia, headquartered in Singapore that manages more than US\$2.2 billion in committed equity capital. With the proposed transaction, Japfa’s senior management will be able to focus on its fast expanding China dairy business, as well as its other two core business pillars, namely poultry in Indonesia and swine in Vietnam.

Japfa CEO, Mr Tan Yong Nang said, “The Group’s dairy business has grown considerably in recent years both in China and Southeast Asia and there is potential for further growth. We are pleased to form this strategic partnership with TPG and Northstar to accelerate the next phase of development in Southeast Asia through their strong track record of developing consumer and retail businesses. In retaining a 20% stake in the Southeast Asia business, Japfa will continue to benefit from the upside potential. The Proposed Transaction along with Japfa’s strategic partnership with Meiji announced earlier this year demonstrate Japfa’s ability to build scalable market leading businesses and unlock significant value for our shareholders. Based on both these strategic partnership transactions, the combined implied equity value of the dairy businesses across China and Southeast Asia is over US\$1.3 billion.”

David Tan, Managing Director of TPG Capital Asia said, “We are very excited to enter the partnership with Japfa together with Northstar. This is the third recent investment for TPG in the dairy sector and we are delighted to do another investment in Indonesia. We strongly believe that the Greenfields brand and product quality will allow it to continue to grow in consumer appeal. We look forward to helping the business further expand its leading position in the dairy sector and deliver accelerated growth amid the rising consumption in Southeast Asia.”

Sunata Tjiterosampurno, co-chief investment officer of the Northstar Group said, “We believe the trend of increasing consumption of dairy products will continue in Southeast Asia as people become ever more focused on health and wellness. We are pleased to be partnering with TPG and Japfa in Greenfields which is already a market leader in the fresh milk category in Indonesia. Northstar’s experience in the consumer space will facilitate the company’s expansion in this fast-growing market.”

The closing of the transaction is subject to the satisfaction of conditions precedent including Japfa’s shareholders’ approval.

Japfa’s dairy business in Southeast Asia is vertically integrated from farming to branded dairy products. With a current herd size of over 16,000 Holstein and Jersey cattle, Japfa’s dairy farm operations is the largest in Indonesia by volume of premium fresh milk produced and sells a range of dairy products including fresh milk, yogurts, UHT milk and premium cheeses under the Greenfields brand. Greenfields is a leading brand in the fresh pasteurised milk and the stirred yogurt categories in Indonesia. Greenfields products are exported to Southeast Asian countries including Singapore, Malaysia, Brunei, and Myanmar where they can be found at major retailers, leading hotels, restaurants and more.

Credit Suisse (Singapore) Limited is the exclusive financial advisor to Japfa Ltd for this transaction.

About Japfa Ltd

Headquartered in Singapore, Japfa Ltd is a leading vertically integrated agri-food company listed on the SGX Main Board since 2014. Established in 1971, the Group has grown into one of Asia's leading low-cost producers of protein staples including poultry, swine, aquaculture, beef, dairy as well as protein-based consumer products across fast-growing emerging Asian economies such as Indonesia, China, India, Myanmar and Vietnam. Japfa embraces an integrated industrial approach to livestock and food production across the value chain. Its vertically integrated business model spans from Feed & Breeding (upstream), Milking and Fattening (mid-stream) and Processing and Distribution of consumer products (downstream). For more information, please visit <https://www.japfa.com>.

About TPG

TPG is a leading global alternative asset firm founded in 1992 with approximately US\$85 billion of assets under management and offices in Austin, Beijing, Fort Worth, Hong Kong, London, Luxembourg, Melbourne, Moscow, Mumbai, New York, San Francisco, Seoul, Singapore, and Washington, DC. TPG's investment platforms are across a wide range of asset classes, including private equity, growth venture, impact investing, real estate, and public equity. TPG aims to build dynamic products and options for its investors while also instituting discipline and operational excellence across the investment strategy and performance of its portfolio. For more information, visit www.tpg.com on Twitter @TPG.

About Northstar

The Northstar Group is a Southeast Asia-focused private equity firm managing more than US\$2.2 billion in equity capital and headquartered in Singapore. Founded in 2003, Northstar's investment strategy is focused on capitalizing on the underlying growth drivers across Southeast Asia, with a focus on the consumer sector, financial services, and the digital economy.

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