JAPFA

BUILDING A LASTING LEGACY

FEEDING EMERGING ASIA

ANNUAL REPORT **2022**

BUILDING A LASTING LEGACY

Building a lasting legacy means creating enduring value that can be passed on. To do so, we need to envision the future we want by establishing the building blocks that will get us there and looking at what motivates us along the way.

At Japfa, we are building our future on solid foundations: a proven integrated industrialised business model, a sound diversification strategy, financial discipline and, last but not least, our people.

In this journey, we are motivated by the clear purpose of *Feeding Emerging Asia* and we are driven by our value of *Growing Towards Mutual Prosperity*, our north star that keeps us on course and encourages us to advance full steam ahead.

This is the lesson that our late Chairman, Mr Handojo Santosa, taught us. We will continue to build on the legacy he left behind and achieve long-term value.

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.

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The Annual Report 2022 does not include the message of the Chairman, the late Mr Handojo Santosa, who passed away on 25 September 2022.

FEEDING EMERGING ASIA

Animal proteins are an important source of nutrients; however, consumption is still low and malnutrition remains an issue in many countries in Emerging Asia.

As a leading industrialised agri-food company in the region, we can play our part by providing millions of people with access to nutritious, safe and affordable protein staples. We do this on the strength of our integrated industrialised business model, which is replicated across proteins and markets, and our solid competences in animal farming.

Driven by our purpose of *Feeding Emerging Asia*, we achieve food security in our markets and long-term value for Japfa and our stakeholders.

CORPORATE PROFILE

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

Pure-Play
Animal Protein Company

Over
50
years of history

More than
38,000
people

Well-Diversified
Across Proteins And Countries

Japfa Ltd ("Japfa", the "Company", or together with its subsidiaries, the "Group") is a leading, pan-Asian, industrialised agri-food company dedicated to feeding Emerging Asia with essential proteins.

Headquartered in Singapore, we employ more than 38,000 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 food 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[1] and have replicated our integrated industrialised business model for poultry operations in Vietnam, India, Myanmar 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 the 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 By poultry feed and DOC production (Frost & Sullivan, 2021).

GROUP HEAD OFFICE

SINGAPORE

ANIMAL PROTEIN PT JAPFA TBK[2]

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[3]

VIETNAM

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

MYANMAR

- Poultry feed manufacturing, breeding, commercial farming

INDIA

- Poultry feed manufacturing, breeding, commercial farming

BANGLADESH

- Poultry feed manufacturing

2 55.4% owned by Japfa Ltd, 44.6% public (as at 31 December 2022).
3 100% owned by Japfa Ltd (as at 31 December 2022).

A PURE-PLAY ANIMAL PROTEIN PRODUCER IN EMERGING ASIA

JAPFA

PT JAPFA TBK
Indonesia

ANIMAL PROTEIN OTHER
Vietnam | India
Myanmar | Bangladesh

Founded in 1971

Market capitalisation: approx. US$525 million[1]

FY2022 revenue: US$4.4 billion

Pure-play animal protein company riding on strong consumption growth in Emerging Asia

Well-diversified business across protein groups with leading market shares

Replicable integrated platform with industrialised business model

Adopt best-in-class technology, high performance breeding and biosecurity

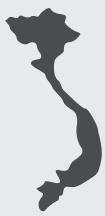
STRONG MARKET POSITIONS

INDONESIA

#2[2]
Poultry Feed Production **21%**

#2[2]
DOC Production **25%**

VIETNAM



#2[3]
DOC Production **14%**

MYANMAR

#2[3]
Poultry Feed Production **18%**

#2[3]
DOC Production **26%**

1 As at 31 December 2022 post Distribution in Specie of AAG..
2 2021 rankings and market share based on Frost & Sullivan estimates.
3 2022 rankings and market share based on Japfa's estimates.

BUSINESS MODEL

VERTICALLY INTEGRATED BUSINESS ACROSS THE ENTIRE VALUE CHAIN

BUSINESS SEGMENTS

VERTICAL INTEGRATION

		PT JAPFA TBK	ANIMAL PROTEIN OTHER	
		INDONESIA	**VIETNAM**	**INDIA MYANMAR BANGLADESH**
UPSTREAM	Animal Feed Production	Poultry Feed, Aquaculture Feed	Poultry Feed, Swine Feed	Poultry Feed
	Breeding Farms	Day-Old-Chicks, Fries	Day-Old-Chicks, Piglets	Day-Old-Chicks
MIDSTREAM	Fattening Farms	Live Birds, Fish	Live Birds, Live Pigs	Live Birds
DOWNSTREAM	Processing & Distribution	JAPFA BEST, seafood Lovers, SO GOOD	JAPFA BEST	JAPFA BEST

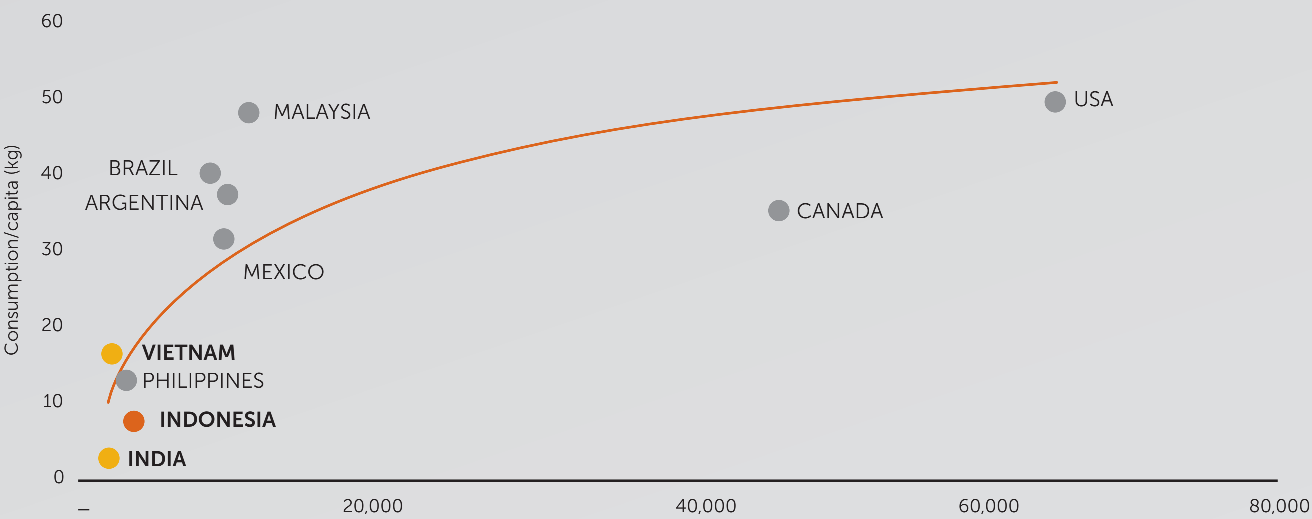
The products shown above represent the main products in each operation for illustrative purposes only.

MARKET GROWTH POTENTIAL

RISING PROTEIN CONSUMPTION IN EMERGING ASIAN MARKETS

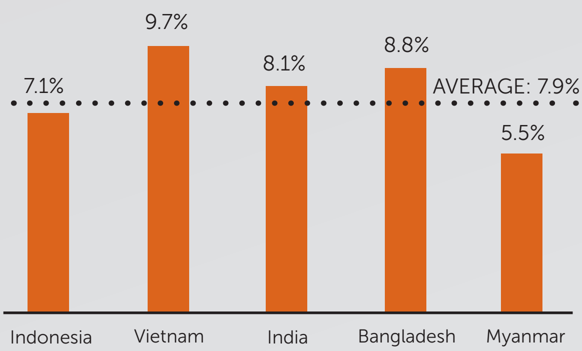
- 1.7 billion people, or over 20% of total world population, live in our markets of Indonesia, Vietnam, India, Myanmar and Bangladesh
- Protein consumption is still low across our key markets, where the average GDP growth forecast is 7.9% per annum. As GDP per capita increases, there is a shift from carbohydrate-heavy diets to meat-based proteins.
- Poultry is a “meat-of-choice” based on its affordability, religious neutrality, consumer preference and popularity of quick service restaurants
- Growth opportunities in Vietnam as pork consumption levels are the second highest in Asia after China[1]

POSITIVE CORRELATION BETWEEN GDP/CAPITA & POULTRY MEAT CONSUMPTION (2022)[2]



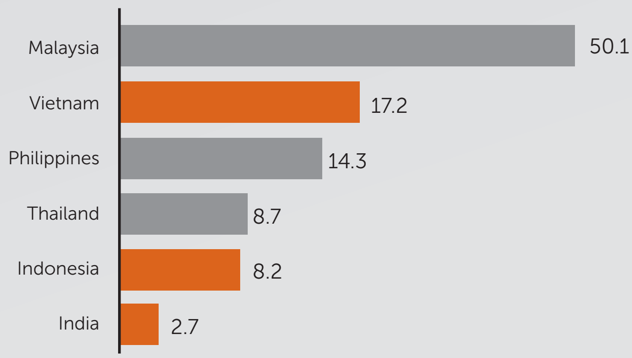
GDP GROWTH FORECAST IN JAPFA KEY MARKETS[3]

2022/2027 CAGR (%)



POULTRY CONSUMPTION PER CAPITA[4]

Consumption / capita (kg)



1 USDA Foreign Agricultural Service, Vietnam, Grain and Feed Animal, 2017.
2 OECD (2021), Meat consumption (indicator) and UN GDP per capita 2021, data extracted on 20 April 2022.
3 IMF World Economic Outlook Database (October 2022 version), GDP in USD terms, data extracted on 16 February 2023.
4 OECD (2022), Meat consumption (indicator), data extracted on 15 February 2023.

OUR STRATEGY

INTEGRATED INDUSTRIALISED BUSINESS MODEL

Capture value along the chain (feed, breeding, fattening and consumer products)

Achieve efficiency through economies of scale in feed and strong farming expertise

DIVERSIFICATION ACROSS PROTEINS & COUNTRIES

Replicate a proven blueprint for successful animal protein businesses

Build uncorrelated revenue and profit streams

Focus on staple proteins and high growth potential markets in Asia

PRUDENT GROWTH

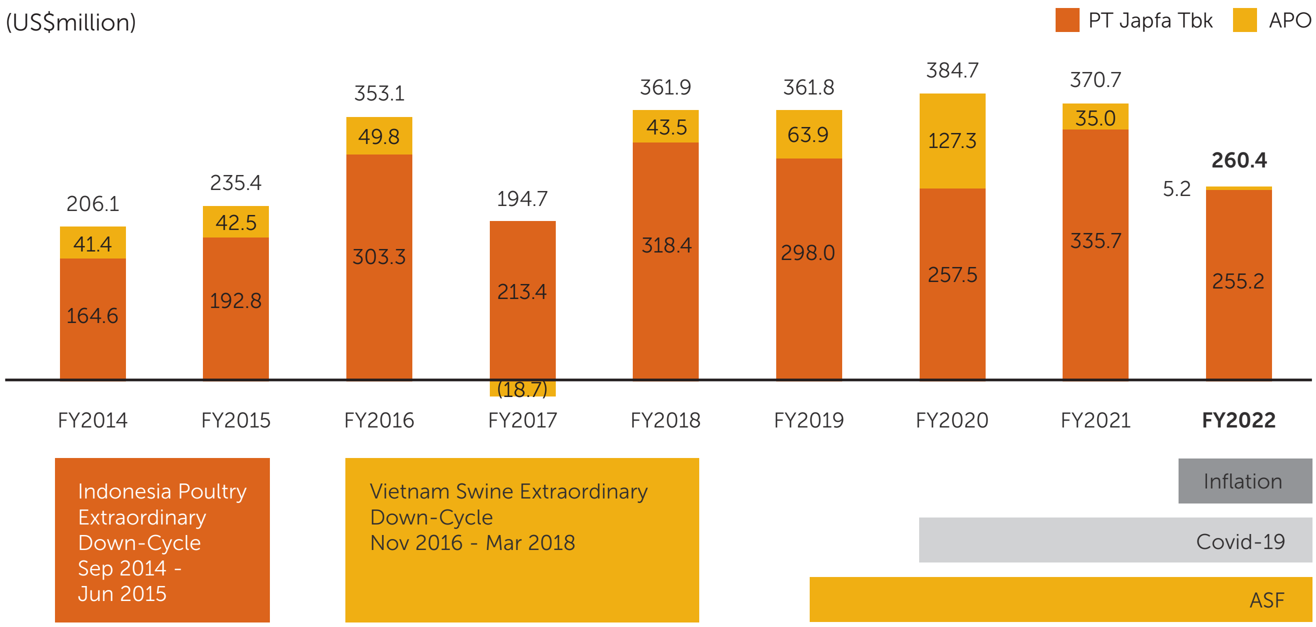
Execute strategy with financial discipline to grow in a sustainable way

PROVEN ABILITY TO RIDE THROUGH CYCLICALITY AND DELIVER

With a proven vertically-integrated business model, Japfa competes from a position of strength. By being one of the most efficient and lowest cost producers, Japfa is able to ride through major down-cycles and deliver healthy EBITDA.

JAPFA ANIMAL PROTEIN - EBITDA

(US$million)



The bar chart shown above focuses on the business segments only and excludes the Group's central purchasing subsidiary, headquarter costs and elimination adjustments between segments.

MEETING TODAY'S CHALLENGES

The growing population in Emerging Asia is fuelling demand for animal protein foods, making productivity in livestock farming crucial.

Soaring inflation, together with geo-political tensions and Covid-19, have highlighted the importance of our focus on producing affordable and nutritious staple protein foods for local consumption in each country.

This is precisely what we do to turn these challenges into opportunities.

CEO'S MESSAGE

> "WITH A PROVEN VERTICALLY INTEGRATED BUSINESS MODEL, WE COMPETE FROM A POSITION OF STRENGTH, AS REFLECTED BY OUR STEADY EBITDA OVER THE YEARS DESPITE THE CYCLICALITY OF THE AGRI-BUSINESS AND THE ECONOMY"

TAN YONG NANG
Chief Executive Officer

Dear Shareholders,

2022 was a challenging year and one of great transition. The first part of the year was marked by the ongoing effects of the Covid-19 pandemic then, just as the worst of the pandemic seemed to be behind us, the global economy was confronted with the Ukraine conflict, increased raw material costs and rising inflation.

Despite a difficult operating environment, with high production costs and a weakened demand, we remained focused on our purpose of *Feeding Emerging Asia* with nutritious yet affordable proteins. We took important steps to continue to build on the solid foundation of our animal protein business in order to deliver long-term value to our stakeholders in a sustainable way.

The year was saddened by the loss of our Executive Chairman, the late Mr **Handojo Santosa**. Pak Han, as he was fondly known, was a visionary and instrumental in many key milestones that Japfa has achieved over the years, building a diversified and vertically integrated animal protein producer across Asia. We still miss his wisdom and his foresight. When Pak Han passed away in September 2022, Japfa lost a great leader and, personally, I lost someone whom I considered a dear friend.

WE ARE JAPFA: A PURE-PLAY ANIMAL PROTEIN LEADER

On 30 December 2022, our subsidiary AustAsia Group ("AAG"), which operates the dairy farming business in China, was listed on the Main Board of The Stock Exchange of Hong Kong.

In connection with the listing, Japfa's shareholding in AAG was distributed in specie to our shareholders, who received entitlements to AAG shares in proportion to their respective shareholding in Japfa, with no cash outlay required.

Upon the **distribution in specie** ("DIS") becoming effective, AAG ceased to be a subsidiary of Japfa and two distinct and leading agri-food companies were created, each with a clear focus, strategy and financial flexibility to grow further in their respective markets:

- **Japfa**, as a pure-play leading integrated animal protein producer in Emerging Asia, operating through our segments PT Japfa Tbk in Indonesia, and Animal Protein Other ("APO") in Vietnam, India, Myanmar and Bangladesh; and
- **AAG**, as a leading independent milk producer in China.

The spin-off of AAG enables Japfa to focus its financial resources on the growth of its core animal protein business without the need to plan for AAG's funding requirements. As a pure-play animal protein company, we have greater operational and financial flexibility to execute our strategy and tap the potential for animal protein consumption in our markets in Emerging Asia, where there is still much scope for growth.

With the DIS, shareholders now hold two distinct and separate entities listed in different markets. This provides the shareholders with the flexibility to decide on their respective holdings in Japfa and AAG.

ANCHORING OUR GROWTH ON SOLID BUILDING BLOCKS

As we look at Japfa today, we have set a strong base to grow further in the dynamic protein markets of Emerging Asia.

Our animal protein operations, **PT Japfa Tbk** and **APO**, generate a revenue exceeding US$4.0 billion[1]. Japfa's animal protein enjoys economies of scale with leading top-two market positions across multiple proteins and countries. With a proven vertically integrated business model, we compete from a position of strength, as reflected by our steady EBITDA over the years despite the cyclicality of the agri-business and the economy. As we supply about 20-25% of the protein foods in many countries where we operate, our activities are critical to feed people in Emerging Asia.

"AS WE LOOK AT JAPFA TODAY, WE HAVE SET A STRONG BASE TO GROW FURTHER IN THE DYNAMIC PROTEIN MARKETS OF EMERGING ASIA"

As highlighted in the UN Food and Agriculture Organisation (FAO) report[2], out of the 3.1 billion people that could not afford a healthy diet in 2020, over 40% or 1.3 billion people live in "Japfa Emerging Asia", namely our target markets of Indonesia, Vietnam, India, Myanmar and Bangladesh. Fuelled by economic and population growth, the region is becoming a key market for growing protein consumption.

We also tap on country-specific growth trends, such as a sizeable opportunity in the swine business in Vietnam, where pork consumption levels are the second highest in Asia after China[3]. The long-term prospects of economic growth in Vietnam are expected to remain sound, which should lead to a stronger demand for staple proteins, and we have set a strong base to grow with strategic investments in the country. Besides swine, these investments include the strategic expansion into a poultry "colour bird" product line, which is the preferred choice by Vietnamese consumers over broiler chicken. In 2022, we constructed a new feedmill which increased our production capacity to 1.8 million tons per annum and a new poultry slaughterhouse as part of our downstream strategy. Lastly, Vaksindo, a subsidiary of PT Japfa Tbk, commenced its operations in Vietnam leveraging on its strong track record in vaccine research and production.

As a leading efficient and low-cost protein producer, we are well placed to capture this growth potential.

We have developed a proven blueprint to build successful animal protein businesses that started with feed and breeding before expanding vertically to include commercial farming, processing and distribution. We have

1 In FY2022, revenue of Japfa Animal Protein amounted to more than US$4.3 billion.
2 FAO, IFAD, UNICEF, WFP and WHO. 2022. The State of Food Security and Nutrition in the World 2022. Repurposing food and agricultural policies to make healthy diets more affordable. Rome, FAO. https://doi.org/10.4060/cc0639en
3 USDA Foreign Agricultural Service, Vietnam, Grain and Feed Annual, 2017.

CEO'S MESSAGE

already created two established platforms for growth: poultry in Indonesia, where we are the second largest poultry company[4], and swine in Vietnam, where we have built a robust industrialised value chain, with a breeding pyramid starting from the Great-Grand Parent level. Going forward, we will drive our growth by replicating our industrialised business model across proteins and geographies and continue to level up our poultry and swine operations, while working towards adding our growing aquaculture business as a new platform for growth.

At the same time, we continue to sharpen our vertically integrated operations to capture the full potential of our value chain by reducing costs at the upstream level and further expanding the downstream level in both the business-to-business and business-to-consumer markets. By doing so, we further emphasise our commitment to produce locally for local consumption and contribute towards self-sufficiency of staple protein foods in Emerging Asia - a trend that has been accelerated by the supply chain disruptions caused by the pandemic and the recent global geo-political issues.

To remain at the forefront of our industry, we continue to embrace digital transformation and adopt technological advancements that allow us to improve operational efficiency, lower costs and reduce our environmental impact.

Last but not least, we are making good progress in our sustainability efforts to reduce our impact on the environment and improving our social performance. In 2022, we fulfilled our commitment under the Sustainability-Linked Bond ("SLB") that was issued by PT Japfa Tbk in 2021, and completed four more water recycling facilities as part of our Sustainability Performance Targets ahead of schedule. We continued to engage our suppliers and shared our responsible and sustainable procurement practices under our new Japfa Supplier Code of Conduct that was released in 2022. We launched our Sustainability Related Investment Guidelines that will direct our investments in future projects and businesses, and also established our sustainability targets.

4 By poultry feed and DOC production (Frost & Sullivan, 2021).

In line with our sustainability pillar of People Development, we also established Japfa The Learning Center ("JTLC") last year, a knowledge centre where we provide world-class learning for employees and management, building leaders in our industry. JTLC is one of the latest initiatives of our late Chairman, Mr Handojo Santosa, that will have a great impact on Japfa in the years to come.

BRIEF FINANCIAL REVIEW: A SHORT-TERM SETBACK IN A CHALLENGING ENVIRONMENT

Our FY2022 financial results reflected a challenging global environment, where the high cost of raw materials impacted our production costs. At the same time, increases in the selling price of our products were constrained by lower consumer purchasing power due to rising inflation worldwide. The combined impact of these factors resulted in overall margin shrinkage.

Against this backdrop, revenue rose 6.6% year-on-year ("y-o-y") to US$4,363.8 million, mainly driven by higher feed average selling prices ("ASPs") supported by steady sales volumes.

There was margin shrinkage across all operations in both PT Japfa Tbk and APO, as well as a weak performance of swine in APO-Vietnam. The Group's EBITDA stood at a respectable US$268.9 million, albeit lower than US$374.0 million in FY2021. Core PATMI without Forex was US$34.6 million compared to US$132.7 million a year ago.

The PT Japfa Tbk segment delivered respectable results, although down from last year, as improving feed margins partially cushioned the impact of the high-cost environment. APO results were impacted not only by higher raw material costs across all countries but also the impact of African Swine Fever ("ASF") in Vietnam.

In line with our prudent financial approach, since the Covid-19 outbreak, we have taken action to freeze and defer non-essential capital expenditures ("Capex") for PT Japfa Tbk and continue to keep a close eye on the macro-economic conditions to manage Capex accordingly. We have also frozen non-essential new Capex and scaled down the sow breeding population and swine fattening livestock in APO-Vietnam. While the long-term prospects of economic growth in Vietnam are expected to remain sound, which should lead to a stronger demand for staple proteins, given the current market volatility, we prefer to adopt a cautious approach in the short-term.

For FY2022, the Board of Directors is pleased to propose a final dividend of 1.0 Singapore cent per share.

LOOKING AHEAD

Looking ahead, we expect the global economic conditions to remain challenging in 2023, particularly in the first part of the year. However, as we operate in the agri-food business, which is subject to cyclicality that is dependent on a variety of external factors beyond our control, we are experienced in riding through cycles and market challenges, as demonstrated by our ability to post EBITDA above the US$250 million mark each year over the last five years.

The current macro-economic uncertainties emphasise, once again, the importance of having a proven business model, the ability to execute our strategy, and financial discipline, which are the backbone of Japfa. Also, as we produce quality yet affordable protein foods, we can respond to consumer needs in Emerging Asia even in an uncertain macro-economic scenario.

We remain optimistic about our long-term growth opportunities based on our position of strength in staple proteins and the growth prospects for protein consumption in our key markets. As a leading producer of staple proteins, we are well placed to capture this growth potential and, more importantly, play an important part in improving the nutrition of millions of people.

By remaining true to our purpose of *Feeding Emerging Asia* and leveraging our core competences in livestock production, we can continue to grow together with our stakeholders.

APPRECIATION

In closing, I want to express my appreciation to my fellow Directors of the Board for their wise guidance and counsel during the year.

> **"WE ARE EXPERIENCED IN RIDING THROUGH CYCLES AND MARKET CHALLENGES, AS DEMONSTRATED BY OUR ABILITY TO POST HEALTHY EBITDA"**

I also want to thank the management team and all our employees for their dedication and commitment during an intense year. Every day, they represent our corporate and sustainability values with pride and passion.

To our colleagues of AAG, thank you for your hard work and dedication that enabled the dairy business to flourish in China. I wish you all the very best and I have no doubt that the solid foundation you built will continue to carry the business to greater heights.

Lastly, I want to thank you, our shareholders, for continuing to believe in us. We look forward to having you onboard in this next chapter of our growth journey.

Before closing, I want to dedicate a special thought to our late Chairman, Mr Handojo Santosa. We will continue to uphold his legacy and remain focused on our purpose of *Feeding Emerging Asia*, guided by our value of *Growing Towards Mutual Prosperity*. With a clear sense of purpose and consistent values, we have established a strong foundation for a sustainable future for Japfa and all our stakeholders.

Tan Yong Nang
Executive Director and Chief Executive Officer

REMEMBERING OUR LATE EXECUTIVE CHAIRMAN

HANDOJO SANTOSA "PAK HAN"

1964 - 2022

THE MARK OF A TRUE LEADER LIES NOT ONLY IN THEIR ACHIEVEMENTS BUT ALSO IN THE LEGACY THEY LEAVE BEHIND, THE IMPACT THEY MAKE ON AN ORGANISATION AND THEIR ABILITY TO INSPIRE THOSE WHO WORK WITH THEM.

Our late Executive Chairman, Mr Handojo Santosa, who passed away in September 2022, was indeed such a leader and we remember him for his many contributions to grow Japfa into a leading agri-food group in Asia.

Fondly known as "Pak Han", he was charismatic and the visionary of Japfa as it is today: a diversified and vertically integrated animal protein producer with a strong foothold in Asia. It would be impossible to condense his accomplishments in just a few lines, but some examples are emblematic of his entrepreneurial spirit and forward-looking mindset to reach for new opportunities and progress.

Pak Han was ahead of his time in deciding to develop the downstream segment within our integrated business model. He pioneered the launch of shelf-stable sausages in Indonesia, an intuition that made available, for the first time, affordable ready-to-eat animal protein products for the mass market. Among others, Pak Han was responsible for the Group's expansion into the dairy business, driven by the idea of producing fresh milk for local consumers on a large scale in hot and tropical Indonesia. It was a bold venture that turned into a successful move, with the creation of the leading fresh milk brand in Indonesia, and the expansion to China, where we consistently deliver the highest milk yields in the market.

Pak Han was also a tenacious, wise and generous leader. One of the defining moments of his leadership was his determination and resilience in maintaining the business and retaining the employees during the 1997-98 Asian financial crisis. Leading by example, he cared deeply for his people and fostered a collaborative culture in Japfa, where everyone works as a team and shares a common purpose. With his firm belief that people are Japfa's most valuable resource, Pak Han strived to foster our professional growth and personal improvement and, more recently, established Japfa The Learning Centre ("JTLC") as a special place for employees to meet, train and share knowledge. JTLC may well be remembered as one of Pak Han initiatives with the greatest impact on Japfa for the generations to come.

Pak Han championed the value of *Growing Towards Mutual Prosperity* with all stakeholders. From employees, to farmers, investors, suppliers, customers and the community, he wanted everyone to feel happy and prosper from working with Japfa. This value is well represented by our corporate logo where the depiction of a "happy person" reflects our commitment to build long-term relationships with our stakeholders based on trust. As he constantly reminded us, this logo captures the very heart of who we are and what we do at Japfa.

As Japfa continues to provide nutritious, safe and affordable protein foods to feed people in Emerging Asia, we uphold and build on the solid foundations and values established by Pak Han.

Pak Han is dearly missed in so many ways, but he lives on in our hearts through his legacy and through our fond memories of him, which continue to inspire us every day.

BUILDING A SHARED FUTURE

The key to our success lies on the vision of *Growing Towards Mutual Prosperity* with all stakeholders, which guide us in how we do business. This is well represented by our corporate logo that captures the very heart of who we are and what we do at Japfa.

With Shareholders - Our goal is to achieve consistently superior investment returns

With Business Partners - We work to reinforce each other's core competence

With Customers - We focus on delivering quality products and services at competitive prices

With Local Communities - We actively strive to be a good neighbour by engaging in social programmes that address specific needs

With Employees - We identify and develop programmes that bring out the best in everyone

With Suppliers - We adopt fair and ethical business practices

BUSINESS SEGMENTS

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 this business segment, we produce high-quality animal proteins, namely poultry, aquaculture and beef as well as branded consumer foods. We 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 using 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 in 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 ensure 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.

AQUACULTURE

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. We also operate cold storage and processing plants, fish farms, shrimp farms, as well as shrimp and freshwater fish hatcheries to support our aquaculture customers.

As part of our industrialised farming model, we have expanded our shrimp breeding capabilities, with the establishment of shrimp broodstock multiplication centres, in a joint venture with Hendrix Gentix Aquaculture B.V..

To support our vision to become a total solutions company in the aquaculture industry, we established the Aquaculture Technology Development Department ("ATD"), an animal health team, and the Japfa Aquaculture Research Centre ("JARC").

BEEF

The beef business unit is run by the Company's subsidiary, PT Santosa Agrindo (Santori) which is involved in integrated cattle farming from beef cattle breeding, fattening and abattoir to value-added meat production.

Santori's operations focus on the integrated premium meat business under the *Tokusen Wagyu Beef* brand and other value-added meat products.

INDONESIA

POULTRY

- **2nd largest** integrated industrialised farming company[2]
- **16** feed mills
- **77** poultry breeding farms
- **30** hatcheries
- **Over 100** company-owned commercial farms
- **Around 8,500** contract commercial farms
- **16** slaughterhouses and primary processing plants
- **3** cold storages
- **4** meat processing units

AQUACULTURE

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

BEEF

- **3** beef cattle feedlots
- **1** processing operation

1 As at 31 December 2022.
2 By poultry feed and DOC production (Source: Frost & Sullivan, 2021).

BUSINESS SEGMENTS

ANIMAL PROTEIN OTHER

The Animal Protein Other ("APO") segment covers our 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.

APO-VIETNAM

Our poultry operations in Vietnam are integrated from feed to breeding, commercial farming and processing and distribution. We have also started a new poultry product line with colour bird, which is the preferred choice by Vietnamese consumers over broiler chicken. Colour bird is served in high-end restaurants and households, while broiler is typically consumed in factory and school canteens.

In Vietnam, we also produce swine feed and have built a modern industrialised swine breeding pyramid starting from the Great Grand-Parent level. This allows us to have sufficient genetic stock to develop our vertically integrated system.

In line with the expected protein consumption growth, in FY2022 APO-Vietnam continued to set a strong base to grow. We commenced operations at our seventh animal feedmill, which significantly increases our total production capacity. With this feedmill, we are also starting the production of aqua feed in Vietnam. We inaugurated a state-of-the-art poultry hatchery and also a swine fattening farm, both equipped with the latest technologies. As part of our long-term downstream strategy, we commenced operations at a new poultry slaughterhouse and launched online channels to market our fresh meat and processed food. Lastly, we started the construction of a vaccine factory, leveraging our strong track record in vaccine research and production by Vaksindo in Indonesia.

APO-INDIA

Our poultry operations in India are focused on producing premium quality poultry feed, mainly for sale to third parties.

APO-MYANMAR

We operate an integrated poultry operation in Myanmar, where we have top 3 market positions in both feed and DOC[1].

APO-BANGLADESH

In Bangladesh, we produce poultry feed and are in the start-up phase of the business.

VIETNAM

FEED (POULTRY, SWINE, AQUA)

- **7** feed mills

POULTRY

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

SWINE

- **3** Great-Grand Parent ("GGP") farms
- **5** Grand Parent ("GP") farms
- **34** Parent Stock ("PS") farms
- **Over 600** company-managed and contract fattening farms

PROCESSING & DISTRIBUTION

- **1** slaughterhouse
- **1** processing factory
- **40** hybrid stores
- Online distribution

INDIA

POULTRY

- **5** own poultry feed mills and two on toll processing
- **1** poultry breeding farm
- **2** hatcheries
- **Over 120** contract commercial farms

PROCESSING & DISTRIBUTION

- **4** hybrid stores

MYANMAR

POULTRY

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

BANGLADESH

POULTRY

- **1** poultry feed mill

1 According to Company's own estimates, APO-Myanmar ranks #2 in poultry feed and DOC as per market share.

FINANCIAL HIGHLIGHTS[1]

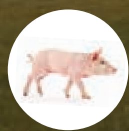
Financial year ended 31 December 2022

REVENUE	OPERATING PROFIT	OPERATING PROFIT MARGIN
US$4.4 billion	US$155.5 million	3.6%
+6.6% Y-O-Y	-28.9% Y-O-Y	-1.8 PTS Y-O-Y
EBITDA[2]	**PATMI[3]**	**CORE PATMI W/O FOREX[4]**
US$268.9 million	US$8.2 million	US$34.6 million
-28.1% Y-O-Y	-93.1% Y-O-Y	-73.9% Y-O-Y

- FY2022 results reflected a challenging operating environment, where global inflationary pressures and other external headwinds, such as the African Swine Fever ("ASF") in Vietnam, resulted in an overall margin shrinkage.
- Revenue increased mainly driven by higher animal feed Average Selling Prices ("ASPs") supported by steady sales volumes across all operations.
- Margins however were impacted by the combined effects of higher production costs driven by high costs of raw materials and limited increases in ASPs due to lower consumer purchasing power.
- Amid a high-cost environment, EBITDA remains healthy, a testament to our strength in riding through cyclicality and market challenges on the back of our efficiency and vertical integration.
- Distribution in specie ("DIS") of AustAsia Group ("AAG") shares became effective in connection with AAG listing on The Stock Exchange of Hong Kong on 30 December 2022.

Animal feed business remains a pillar of profitability: margins improved despite high costs of raw materials.

ASPs of Day-Old-Chick and broiler did not keep pace with higher production costs arising from high feed raw material costs.



Swine ASPs in Vietnam remained subdued due to ASF. At the same time, production costs increased due to high feed raw materials costs and ASF.

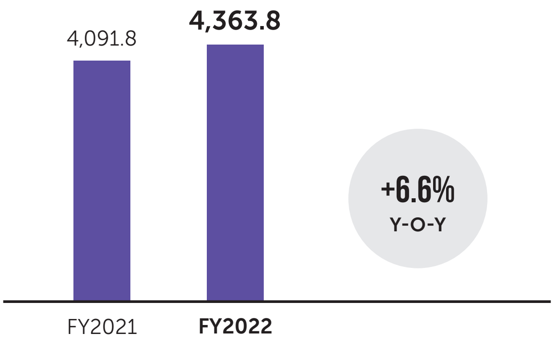
1 The consolidated Revenue, Operating Profit and EBITDA do not include AAG. Following the Distribution in specie ("DIS") of AAG on 30 December 2022, AAG ceased to be a subsidiary of Japfa Ltd. Accordingly, the "discontinued operations" accounting principle has been applied as at 31 December 2022, where 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, Core PATMI w/o Forex and Earnings per share. FY2021 comparatives have been adjusted accordingly. AAG was previously reported under the Dairy segment for production of raw milk and beef operations in China.

2 "**EBITDA**" is defined 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.

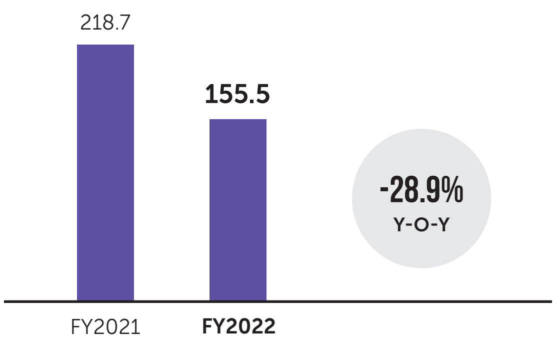
3 "**Core PATMI**" is derived from "Profit Attributable to Owners of the Parent, Net of Tax" by excluding (a) changes in fair value of biological assets (net of tax), other than gains/(losses) from the sale of beef in China, (b) changes in fair value of derivatives, and (c) extraordinary items, attributable to the owners of the parent.

4 "**Core PATMI w/o Forex**" is an estimate derived from Core PATMI by excluding foreign exchange gains/losses (before tax) attributable to the owners of the parent. We have not made an estimate of the tax impact on foreign exchange gains/losses.

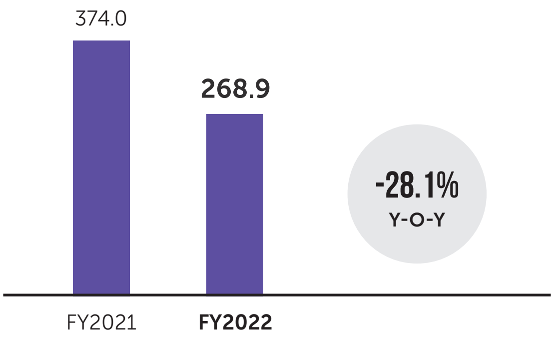
REVENUE
(US$million)



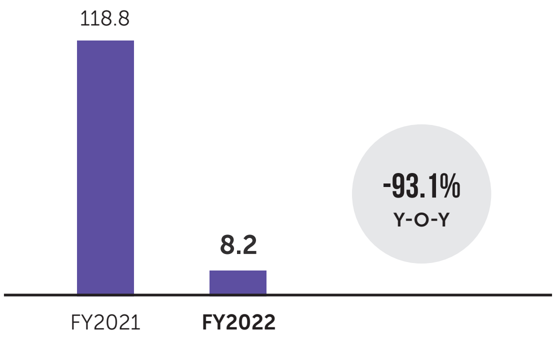
OPERATING PROFIT
(US$million)



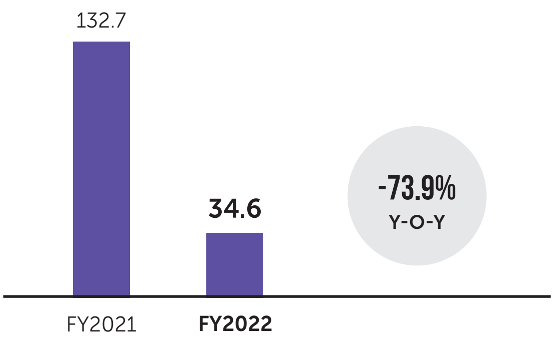
EBITDA
(US$million)



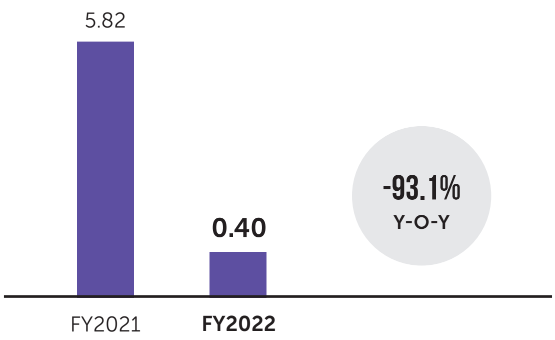
PATMI
(US$million)



CORE PATMI W/O FOREX
(US$million)



EARNINGS PER SHARE
(US cents)



OPERATING & FINANCIAL REVIEW

OVERVIEW

2022 was marked by macro-economic uncertainties and a challenging operating environment. On the one hand, our production costs across the value chain in our breeding, fattening and downstream operations increased due to high costs of raw materials, as agricultural commodities costs reached record levels[1]. On the other hand, increases in our Average Selling Prices ("ASPs") were constrained by lower consumer purchasing power, particularly in the low-income band, due to rising inflation globally.

The combined impact of these factors resulted in an overall margin shrinkage in FY2022, with profits impacted by increased input costs arising from high raw material costs. In addition, other external headwinds, such as the resurgence of African Swine Fever ("ASF") in Vietnam, also added to the difficult operating conditions by reducing swine fattening ASPs while increasing costs in our operations.

Against this backdrop, revenue increased 6.6% year-on-year ("y-o-y") to US$4,363.8 million mainly driven by higher feed ASPs supported by steady sales volumes across all operations.

As a result of a challenging environment, PT Japfa Tbk delivered a lower profit and Animal Protein Other ("APO") recorded a loss. All in all, the Group recorded a respectable EBITDA of US$268.9 million in FY2022 (FY2021: US$374.0 million), demonstrating once again our ability to ride through the cycles on the strength of our efficient, vertically integrated business model. Core PATMI without Forex amounted to US$34.6 million (FY2021: US$132.7 million).

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

- **PT Japfa Tbk:** Delivered respectable results in FY2022, albeit lower than a year ago, as a recovery in feed margins only partially cushioned the impact of a persistent high-cost environment.
- **Animal Protein Other:** Results were impacted by high production costs, low ASPs and ASF that affected the performance of swine operations in Vietnam. Amid a challenging environment, the segment posted a positive EBITDA.

MAJOR DEVELOPMENTS

In 2022, Japfa took additional important steps in its strategy to become a leading integrated animal protein producer, riding on the strong protein consumption growth in Emerging Asia.

Listing and Distribution in Specie of AustAsia shares

On 30 December 2022, the shares of AustAsia Group Limited ("AAG"), which operates the Group's dairy farming in China, were listed on the Main Board of The Stock Exchange of Hong Kong. In connection with the listing, the Group distributed its shareholding in AAG to shareholders by way of a capital reduction.

As a result, AAG ceased to be a subsidiary of the Group, effective on 30 December 2022, and two distinct agri-food companies were created, each with a clear focus, strategy and operational flexibility to pursue growth in their respective markets:

- Japfa, a leader in animal protein in Emerging Asia; and
- AAG, a leading independent milk producer in China.

1 Rabobank, Agri Commodity Markets Research Outlook 2023: Tightening the Belt, November 2022: "Agricultural commodities reached record nominal prices in May 2022, on the back of adverse weather (much of it related to two years of La Niña), falling stockpiles, the war in Ukraine, the container shortage, and various protectionist measures restricting food commodity exports".

The spin-off of AAG enables Japfa to focus its financial resources on the further growth of its core animal protein business without the need to plan for AAG's funding requirements and tap the potential for animal protein consumption in its markets in emerging Asia, where there is still much scope for growth.

At the same time, the DIS enables Japfa shareholders to benefit from the flexibility of having stakes in two separate companies, listed in two different markets, Singapore and Hong Kong respectively.

Under the DIS, Japfa shareholders were entitled to receive 200 AAG shares for every 1,000 Japfa shares acquired up to 27 December 2022 with no cash outlay.

Accordingly, following the DIS of AAG shares, Japfa share commenced trading on an "ex" basis and the share price has traded on an adjusted basis on and from 30 December 2022.

Further Strengthened the Growth Platform in Vietnam

Driven by a population of 97 million of people[2] and sound long-term prospects of economic growth[3, 4], protein consumption in Vietnam has grown significantly over the years and this trend is expected to continue. On the back of our industrialised integrated business model, Japfa is well positioned to ride on these promising prospects. More recently, we have taken further steps to strengthen our growth platform in Vietnam, including:

- *Feed:* The construction of a new feedmill in 2022 increasing capacity to 1.8 million tons p.a.;
- *Swine:* The establishment, over the last few years, of a robust and modern industrialised swine value chain with a breeding pyramid starting from the Great-Grand Parent level, superior genetics, and modern breeding and fattening farms;
- *Poultry:* The strategic expansion into a new poultry product line, "colour bird", which is a preferred choice by Vietnamese consumers over broiler chicken. Colour bird is typically served in households and high-end restaurants, while broiler chicken is mainly consumed in factory and school canteens;
- *Processing and Distribution:* The construction of a new poultry slaughterhouse in 2022 as part of our downstream strategy;

"WITH THE SPIN-OFF, JAPFA CAN FOCUS ITS FINANCIAL RESOURCES TO FURTHER GROW ITS CORE ANIMAL PROTEIN BUSINESS AND TAP THE POTENTIAL FOR ANIMAL PROTEIN CONSUMPTION IN EMERGING ASIA, WHERE THERE IS STILL MUCH SCOPE FOR GROWTH"

- *Vaccine:* The construction of a vaccine factory in Vietnam, leveraging on the strong track record in vaccine research and production by Vaksindo in Indonesia. This modern factory will produce a variety of vital vaccines for avian, cattle and swine livestock in Vietnam.

Moving Forward on the Japfa Sustainability Journey

In 2022 we made additional progress in our sustainability journey, which is one of our growth initiatives.

We aim to achieve Net Zero by 2050 and further advance the development of our people in sustainable agriculture. In FY2022, the Group launched Japfa's *Sustainability Targets*, which set out measurable, science-based environmental and social targets and its roadmap towards achieving them.

Under the *Environmental targets,* Japfa's focus is on reducing Scope-1 (direct) greenhouse gas ("GHG") emissions at its commercial farming poultry operations and mitigate the risk of climate change through closed-house poultry systems. The Group aims to cut GHG emissions per kilogramme of live bird by 25% by 2030 and 50% by 2040. We also aim to transition to 100% closed-house poultry systems at Japfa-managed farms by 2030 and eliminate the use of coal by 2040. Notably, Japfa derived its environmental targets using results from the science-based Life Cycle Assessment ("LCA") conducted on its

2 Vietnam population in 2021: 97,468,029 (Worldbank, data extracted on 12 March 2023).
3 International Monetary Fund, Vietnam bucks Asia's weakening growth trends, 6 September 2022: "We lowered the projection for next year by 0.5 percentage points to 6.7 percent, but that still contrasts with dimming prospects elsewhere and would be the fastest pace among Asia's major economies."
4 Asian Development Bank, Strong economic fundamentals - key to fast recovery in Viet Nam, says ADB, 21 September 2022: "ADB has maintained his favourable economic outlook for Vietnam as it forecasts gross domestic product to expand 6.5% in 2022 and 6.7% in 2023 [...] Vietnam economy is performing reasonably well amid uncertainties in the global economy."

OPERATING & FINANCIAL REVIEW

poultry operations which form the bulk of the Group's business.

Under the *Social targets*, we are focusing on enhancing the breadth and depth of training for both our employee and contract farmers. In terms of annual average training per person, Japfa aims to increase training to 16 hours by 2030 and 24 hours by 2040 for employees, whilst also raising training for contract farmers requiring technical support by 25%.

Following a survey of sustainability practices of its suppliers, the Group established a *Supplier Code of Conduct* in 2022 that details our efforts to ensure responsible procurement practices.

Lastly, the Group introduced a *Sustainability-Related Investment Guideline* in a move to facilitate organisation-wide sustainable investments. This guideline will define the scope and types of sustainability-related investments and facilitate the efforts made by the Group to move closer to its environmental and social aspirations.

LOOKING AHEAD

Even though the Covid-19 situation last year has improved as countries progressively eased movement restrictions, 2022 posed additional challenges to the global economy: from the conflict in Ukraine, to global inflationary pressures that weighed on production costs, supply chain bottlenecks and tightening global monetary policy.

We expect the global economic conditions to remain uncertain in the near term and the Covid-19 situation, although improving, to remain unpredictable. As we produce quality yet affordable protein foods, we are well positioned to respond to consumer needs in Emerging Asia even in an uncertain macro-economic scenario. On the back of a business model and a strategy that are built to handle market challenges and cyclicality, we have been able to continue to deliver even in challenging times, as it is demonstrated by our ability to post EBITDA above the US$250 million mark each year over the last five years.

We remain optimistic about our mid- and long-term growth opportunities based on our position of strength in staple proteins and the prospects for protein consumption in our markets in Emerging Asia, namely Indonesia, Vietnam, India, Myanmar and Bangladesh.

In these markets, animal protein consumption per capita is still at low levels and Gross Domestic Product ("GDP") is expected to average 7.9% per annum from 2022 to 2027[5]. Accordingly, consumer preferences are likely to evolve towards consuming more meat-based proteins as opposed to the current carbohydrate-heavy diets, driving demand for Japfa's animal protein products. In addition, the reopening of China in January 2023 is expected to improve the economic prospects in the region, which could drive demand in the Group's markets.

While the ASF situation in Vietnam is unlikely to improve in the immediate future, the Group expects the country's long-term economic growth prospects to remain sound. Japfa will continue to build a strong base to grow in Vietnam in line with the anticipated protein consumption growth.

Against this landscape, we are confident that our core competencies in industrialised farming, coupled with a sound track record in replicating our blueprint for building successful protein businesses, such as poultry and swine, bode well for our future sustainable growth.

5 IMF World Economic Outlook Database (October 2022 version), GDP in USD terms, data extracted on 16 February 2023.

GROUP

	(US$m)	FY2021	FY2022	% change
Japfa Ltd	Revenue	4,091.8	4,363.8	6.6% ▲
	Operating Profit	218.7	155.5	-28.9% ▼
	Operating Profit Margin	5.3%	3.6%	-1.8 pts ▼
	EBITDA	374.0	268.9	-28.1% ▼
	PAT	212.7	61.6	-71.0% ▼
	PATMI	118.8	8.2	-93.1% ▼
	Core PATMI w/o Forex	132.7	34.6	-73.9% ▼

BUSINESS SEGMENTS

	(US$m)	FY2021	FY2022	% change
PT Japfa Tbk	Revenue	3,128.5	3,283.0	4.9% ▲
	Operating Profit	217.9	180.8	-17.0% ▼
	Operating Profit Margin	7.0%	5.5%	-1.5 pts ▼
	EBITDA	335.7	255.2	-24.0% ▼
	PAT	140.7	92.9	-34.0% ▼
	PATMI	72.7	48.7	-33.0% ▼
	Core PATMI w/o Forex	69.7	48.1	-30.9% ▼
Animal Protein Other	Revenue	939.6	1,038.9	10.6% ▲
	Operating Profit	(0.6)	(33.8)	-5526.7% ▼
	Operating Profit Margin	-0.1%	-3.3%	-3.2 pts ▼
	EBITDA	35.0	5.2	-85.3% ▼
	PAT	(25.2)	(52.0)	-106.6% ▼
	PATMI	(25.2)	(52.8)	-109.7% ▼
	Core PATMI w/o Forex	(14.3)	(47.3)	-229.6% ▼
Dairy	PAT	104.6	23.4	-77.6% ▼
	PATMI	78.6	14.6	-81.4% ▼
	Core PATMI without Forex	83.3	35.5	-57.3% ▼

The consolidated Revenue, Operating Profit and EBITDA do not include AAG. Following the Distribution in specie ("DIS") of AAG on 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, Core PATMI w/o Forex and Earnings per share. FY2021 comparatives have been adjusted accordingly. AAG was previously reported under the Dairy segment for production of raw milk and beef operations in China.

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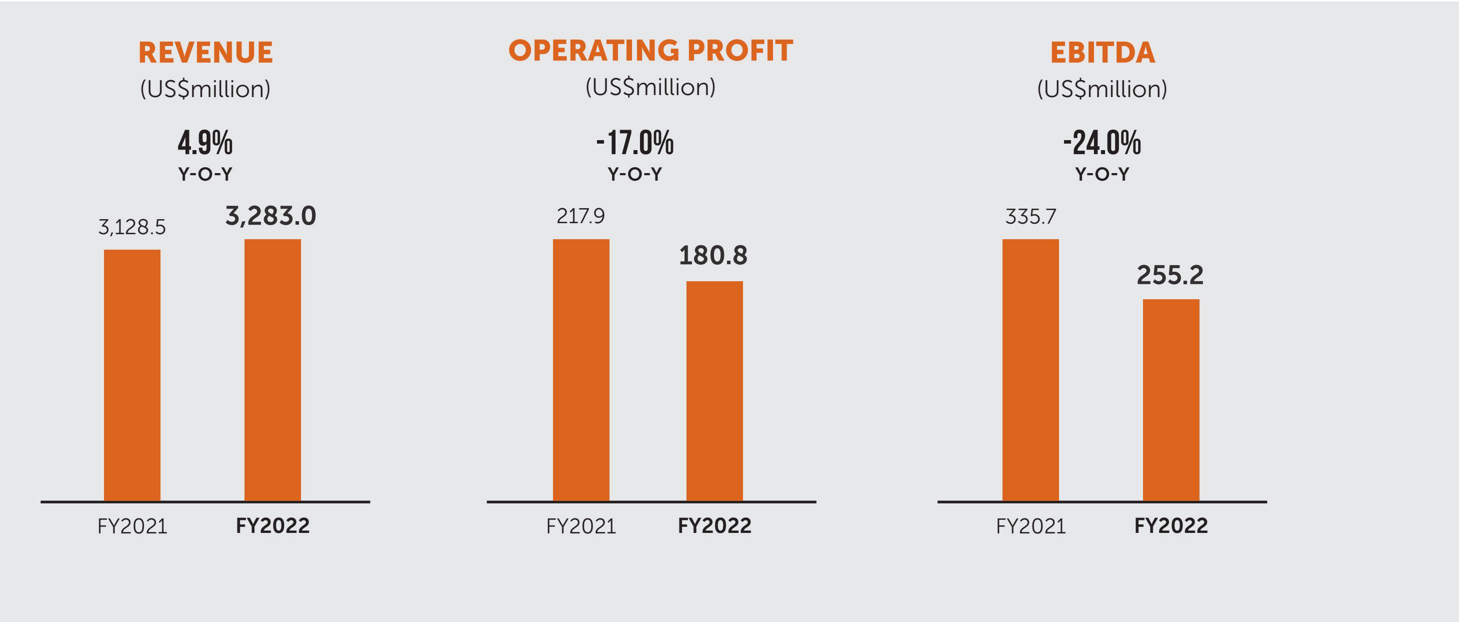
PT JAPFA TBK



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.

Against an operating environment beset by global uncertainties and high costs of raw materials, PT Japfa Tbk delivered respectable results, although lower than last year.

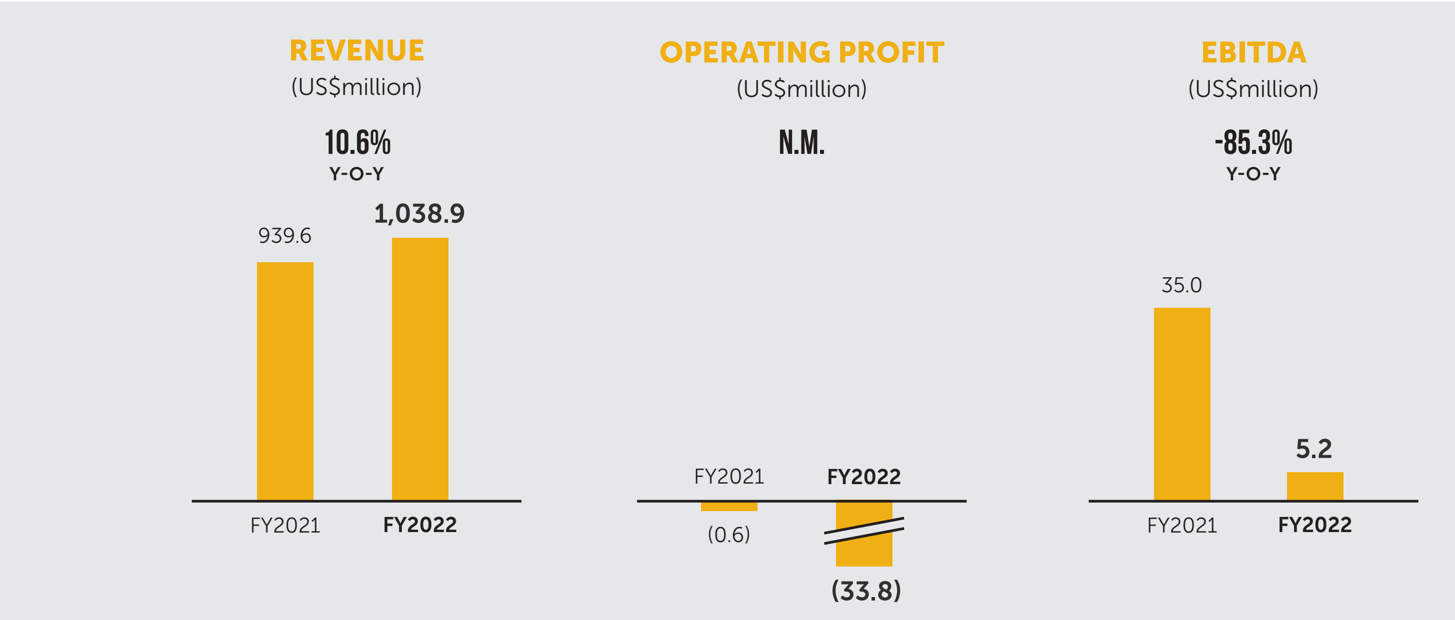
Revenue grew 4.9% y-o-y to US$3,283.0 million (FY2021: US$3,128.5 million) driven mainly by higher feed prices supported by steady volumes across all operations in Indonesia.

Despite raw materials costs remaining high, feed margins started to recover from the historical lows caused by the Covid-19 pandemic in 2021, and this recovery partially cushioned the impact of high raw materials costs. The feed business proved once again to be a pillar of profitability, as the Group is generally able to pass on increases in raw material costs to feed ASPs even during the periods of Rupiah volatility and poultry market downturns. Nevertheless, profitability remained under pressure as ASPs of both Day-Old-Chick ("DOC") and broiler did not keep pace with the higher production costs arising from the high cost of raw materials.

In a high-cost environment, PT Japfa Tbk delivered a decent EBITDA of US$255.2 million, down 24% compared to US$335.7 million in FY2021, reflecting its strong position in feed, economies of scale and a resilient business model. PAT declined 34.0% to US$92.9 million (FY2021: US$140.7 million). However, it should be noted that FY2021 EBITDA and PAT included a one-off Other Income of US$25.6 million which was due to a reduction in pension liability following a change in the law. Core PATMI without Forex decreased by 30.9% y-o-y to US$48.1 million (FY2021: US$69.7 million).

Since the Covid-19 outbreak, PT Japfa Tbk has taken action to freeze and defer non-essential capital expenditures ("Capex"). PT Japfa Tbk continues to keep a close eye on macro-economic conditions and manage its Capex accordingly.

ANIMAL PROTEIN OTHER



The APO segment includes the Group's poultry and swine operations in Vietnam, as well as poultry operations in India, Myanmar and Bangladesh.

In FY2022, APO recorded a 10.6% y-o-y growth in revenue to US$1,038.9 million (FY2021: US$939.6 million). Profits were however impacted by the weak results from Vietnam, where low ASPs, high production costs and an outbreak of ASF affected the performance of our swine operations.

Amid a challenging environment, APO posted a positive EBITDA of US$5.2 million in FY2022 (FY2021: US$35.0 million). The segment recorded a loss after tax of US$52.0 million (compared to a loss after tax of US$25.2 million in FY2021), of which approximately US$20.0 million was from the impact of ASF on the swine operations in Vietnam and the remaining from margin contraction across countries and proteins.

APO-Vietnam

Although revenue increased to US$789.7 million in FY2022 (FY2021: US$697.8 million), APO-Vietnam recorded an operating loss of US$34.4 million, compared to an operating profit of US$8.1 million in FY2021, due to low swine ASPs, high production costs and ASF.

Swine ASPs were volatile because of pre-emptive sales in the market due to a resurgence of ASF. In addition, demand for pork towards Tết, the Vietnamese New year, was weaker than expected. The Tết is typically a period of higher consumer spending in the country. In FY2022, however, many export-oriented companies in Vietnam were confronted with slower orders from their target markets, such as the USA and Europe, which were affected by economic slowdowns. This resulted in layoffs at these factories, causing a contraction in consumer spending and, ultimately, a drop of pork prices to low levels. This contrasted with FY2021 when prices were generally higher due to a pork supply shortage in the market.

Concurrently, production costs have increased mainly as a result of high feed raw material costs globally, where feed is a significant component of swine production costs due to the long days on feed for pigs.

In addition, a significant number of swine fattening stock in our operations were hit by ASF causing losses of approximately US$20.0 million, with the biggest impact in 4Q2022. ASF is an industry-wide problem in Vietnam. As there is no proven vaccine or treatment for ASF, biosecurity measures are the only available means to protect swine livestock, which leads to higher operational costs.

With regard to poultry operations, ASPs of both broiler and colour bird chickens did not keep pace with the higher global feed raw material costs, resulting in a margin contraction in FY2022. Despite this, sales revenue of colour bird chickens in FY2022 hit US$120 million and exceeded broilers for the first time, reflecting the Group's foresight in starting this new poultry line five years ago. Colour birds are the preferred choice of chicken for Vietnamese consumers, as they are typically served in households and restaurants.

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The long-term prospects of economic growth in Vietnam are expected to remain sound, which should lead to a stronger demand for staple proteins. Nevertheless, given the current market volatility, APO-Vietnam has temporarily frozen non-essential new Capex and scaled down the sow breeding population and swine fattening livestock.

APO-India

With feed as a major contributor to revenue and profitability, APO-India recorded an improved operating profit of US$2.5 million in FY2022 (FY2021: US$0.9 million) on revenues of US$147.6 million (FY2021: US$151.7 million) as a result of higher sales volumes and prices for feed and poultry operations. APO-India remains a key growth market in the longer term where the focus is on growing the feed business.

APO-Myanmar

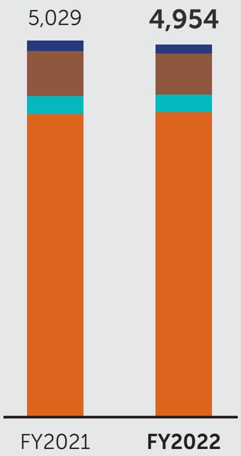
As the situation in Myanmar remained challenging, we scaled down our poultry feed volumes by 20%. In addition, the cost control measures introduced by the management during these uncertain times are still in place. APO-Myanmar, which accounted for 2% of the Group's revenue and assets in FY2022, recorded a positive EBITDA on the back of improvements in poultry ASPs and continued cost control measures across our operations. APO-Myanmar posted an operating loss of US$1.0 million compared to an operating loss of US$8.7 million in FY2021. As APO-Myanmar is a major producer of poultry, a staple and affordable protein food, we have taken a patient approach for the time being with respect to the business growth in the near term.

APO-Bangladesh

The financial performance of APO-Bangladesh is not yet meaningful as the poultry feedmill operations are still in the start-up phase.

ANIMAL PROTEIN OPERATIONAL PERFORMANCE - SALES VOLUMES

ANIMAL FEED POULTRY
('000 tons)



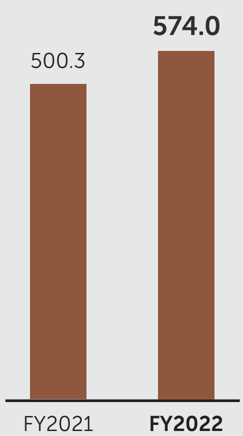
DOC BROILER
(mil birds)

COMMERCIAL FARM LIVE BIRDS
('000 tons)

ANIMAL FEED AQUACULTURE
('000 tons)

SWINE FATTENING
('000 tons)

ANIMAL FEED SWINE
('000 tons)



PT Japfa Tbk | Japfa India | Japfa Vietnam | Japfa Myanmar

OPERATING & FINANCIAL REVIEW

BALANCE SHEET

On 30 December 2022, in connection with the listing of AAG, Japfa distributed ("DIS") its AAG shares to shareholders and AAG ceased to be a subsidiary of the Group. As a result of the demerger of AAG on 30 December 2022, the Group Balance Sheet as at 31 December 2022 does not include AAG. For comparative purposes, the table below include the proforma Group Balance Sheet which excludes AAG as at 31 December 2021.

The Group's total assets as at 31 December 2022 decreased by 29% or US$1,234.3 million to US$3,067.9 million from US$4,302.2 million, primarily due to a derecognition of assets amounting to US$1,519.3 million as a result of demerger of AAG and partially offset by increase in property, plant and equipment, right-of-use assets, biological assets and inventories. On a proforma basis, total assets increased by 4% or US$111.7 million to US$3,067.9 million as at 31 December 2022 from US$2,956.2 million as at 31 December 2021.

Total liabilities as at 31 December 2022 decreased by 14% or US$303.2 million to US$1,852.6 million from US$2,155.8 million, primarily due to a derecognition of liabilities amounting to US$741.8 million as a result of demerger of AAG and partially offset by increase in loans and borrowings and lease liabilities. On a proforma basis, total liabilities increased by 16% or US$257.3 million to US$1,853.2 million as at 31 December 2022 from US$1,595.9 million as at 31 December 2021.

Equity attributable to the Owners of the Parent as at 31 December 2022 decreased by 43% or US$612.0 million from US$1,426.9 million to US$814.9 million primarily due to a capital reduction of US$580.9 million. The distribution of shares in AAG is by way of capital reduction. On a proforma basis, Equity attributable to the Owners of the Parent decreased by 10% or US$95.2 million from US$910.1 million as at 31 December 2021 to US$814.9 million as at 31 December 2022.

On a proforma basis, the demerger of AAG has adjusted NAV per share at 31 December 2021 from S$0.95 to S$0.60.

Net Debt/Equity ratios were affected by a net increase in PT Japfa Tbk loans of US$106.9 million due to new Capex and build-up of inventory, an increase in Vietnam loans of US$77.0 million due to new Capex and working capital loans, and an increase in lease liabilities in Vietnam by US$65.8 million with additional new rental farms. At the same time, equity attributable to the Owners of the Parent decreased by US$95.5 million mainly due to a translation loss of US$106.4 million arising from a weakening in regional currencies, particularly IDR and RMB against US$.

Balance Sheet Highlights (US$m)	As at 31 Dec 2021	Proforma[1] As at 31 Dec 2021	As at 31 Dec 2022	Proforma[1] 2021 vs 2022 % Change
Total Assets	**4,302.2**	**2,956.2**	**3,067.9**	**4%**
Cash and cash equivalent	320.6	297.3	280.7	**-6%**
Total Inventory	1,120.8	888.3	948.9	**7%**
– *Inventory (excluding fattening livestock)*	*867.5*	*706.8*	*743.7*	**5%**
– *Inventory – Fattening Livestock*	*253.3*	*181.4*	*205.2*	**13%**
Total Liabilities	**2,155.8**	**1,595.9**	**1,853.2**	**16%**
Total Debt	1,596.5	1,177.4	1,443.2	**23%**
– *Loan and borrowings*	*1,308.9*	*1,040.9*	*1,274.6*	**22%**
– *Lease liabilities*	*287.6*	*136.5*	*168.6*	**24%**
Total Equity	**2,146.5**	**1,360.3**	**1,214.7**	**-11%**
Equity attributable to the Owners of the Parent	**1,427.0**	**910.1**	**814.9**	**-10%**
Key Ratios				
Net Debt / Equity Ratio (x)	0.6	0.6	1.0	
Net Debt (w/o lease liabilities) / Equity Ratio (x)	0.5	0.5	0.8	
Inventory Turnover days[2]	105	93	90	
NAV per share (US$)	0.70	0.45	0.40	
NAV per share (S$)	*0.95*	*0.60*	*0.54*	

1 The proforma Group Balance Sheet as at 31 December 2021, which excludes AAG, is unaudited and provided for comparative purposes.
2 Inventory turnover days is calculated based on the total inventory.

SUSTAINABILITY

Almost 3.1 billion people in the world could not afford a healthy diet in 2020 and, among them, over 40% or 1.3 billion people live in the countries where Japfa operates, namely Indonesia, Vietnam, India, Myanmar and Bangladesh ("Japfa Emerging Asia").[1]

The cost of a healthy diet is likely to have risen over the last few years, as the impact of the Covid-19 pandemic and the measures to contain it, coupled with the recent geopolitical tensions impacting raw material and energy prices, led to inflation and weakened consumer spending.

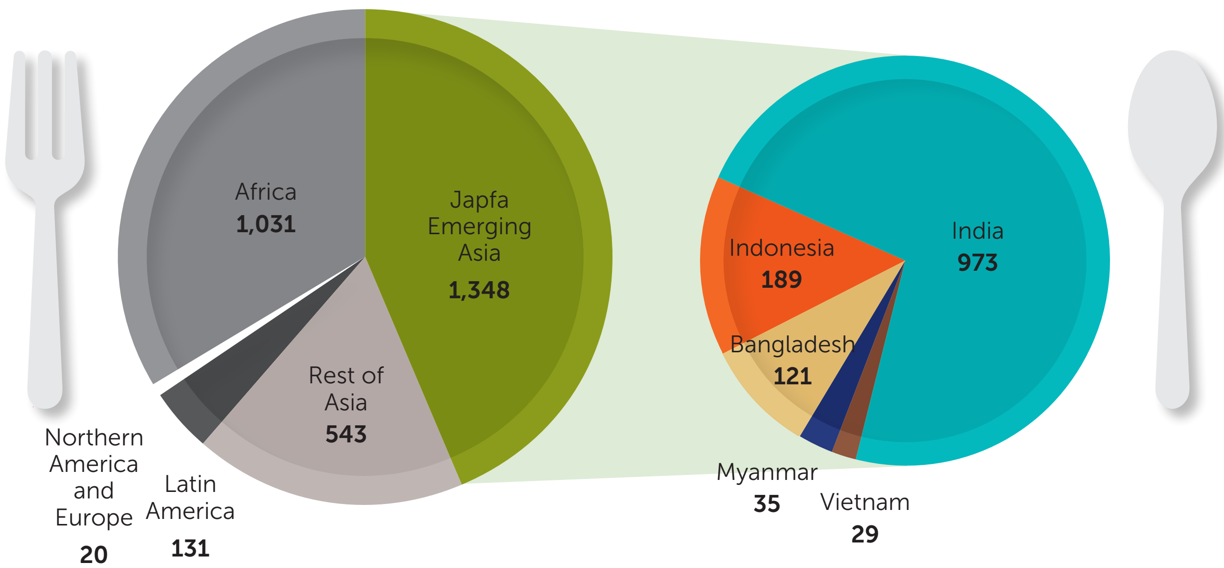
At the same time, the world population keeps growing, hitting the 8-billion mark in 2022[1]. As a result, food security becomes not only a local challenge but also a global issue.

All of these issues are closely related to Japfa's business as a leading producer of staple animal proteins in Emerging Asia. As we supply about 20-25% of the protein foods in the countries where we operate, we can play an essential role to deliver affordable nutritious proteins that can improve food security for the millions of people living in the region.

Out of 3.1 billion people who are unable to afford a healthy diet, over 40% or 1.3 billion people live in Indonesia, Vientnam, India, Myanmar and Bangladesh, which are the five countries where Japfa produces food for domestic consumption ("Japfa Emerging Asia").[1]

3.1 BILLION PEOPLE
Unable to Afford a Healthy Diet in the World

1.3 BILLION PEOPLE
Unable to Afford a Healthy Diet in Japfa Emerging Asia



Population numbers in millions

1 Food and Agriculture of the United Nations. (2022). The state of food security and nutrition in the world 2022. Food and Agriculture Organization (FAO). https://www.fao.org/publications/sofi/2022/en/

SUSTAINABILITY

IMPROVING FOOD SECURITY BY PRODUCING LOCALLY FOR LOCAL CONSUMPTION

The theme of our 2022 Sustainability Report, *Produce Locally, Consume Locally*, encapsulates our efforts to improve food security in Japfa Emerging Asia.

Guided by Japfa's Sustainability Pillars of *Improving Nutrition, Efficient Production System* and *People Development*, we take pride in our ability to produce affordable staple protein foods with an emphasis on an efficient production system. Our vertically integrated operations are replicated across our proteins and markets, allowing us to reap economies of scale and ensure consistent quality across our value chain. As such, we have control over food safety and traceability throughout the production process. In addition, we develop local talent as well as use modern production methodologies and farming practices that suit the local climate and environment. All these capabilities enable us to maintain the affordability, accessibility and safety of nutritious proteins, while keeping the environment in mind.

Our approach to produce locally for local consumption also aligns to countries moving toward self-sufficiency in the supply of staple protein foods to mitigate potential disruptions arising from global supply chains stress. By focusing on local production, we reduce dependency on imported raw materials, which in turn also reduce Greenhouse Gas ("GHG") emissions from long distance transportation.

SUSTAINABILITY ACHIEVEMENTS IN 2022

Sustainability is an ongoing journey for Japfa and last year, we continued to make headway in driving sustainability in our business across the areas of Environment, Social and Governance.

Our key milestones in FY2022 included:

- The establishment of the **Japfa Sustainability Targets** which reflects our commitment to sustainability through measurable and tangible targets;
- The formalisation of Japfa **Supplier Code of Conduct** that has been shared and communicated to our suppliers in 2022; and
- The introduction of a **Sustainability-Related Investment Guideline** during the year to support our financial decision-making by identifying investments in line with our sustainability pillars.

As our next step in sustainable finance, our subsidiary PT Japfa Tbk secured our first Sustainability-Linked Loan, valued at Rp1.42 trillion[2], with key environmental performance indicators to achieve sustainability goals aligned with our core business.

2 Corresponding approximately to US$95 million as of the announcement date.

SUSTAINABILITY TARGETS

2030	2040	2050
25% REDUCTION **Scope 1 GHG emission for poultry live bird production** kg CO_2e per kg live bird **100% NEW CLOSED-HOUSE** **Mitigating climate change** in company-managed poultry farms	**50% REDUCTION** **Scope 1 GHG emission for poultry live bird production** kg CO_2e per kg live bird **ZERO COAL** **Scope 1 GHG emission** throughout the Japfa Group	**NET ZERO** **Scope 1 GHG emission for poultry live bird production** kg CO_2e per kg live bird

Environmental targets are derived from quantitative science-based Life Cycle Assessment results.

ENVIRONMENTAL

SOCIAL

2030	2040
16 **Training hours received by employees** Average training hours per employee per annum **25% INCREASE** **Training hours received by contract farmers who request for technical support** Average hours per contract farmer per annum	**24** **Training hours received by employees** Average training hours per employee per annum

Environment: Climate-related disclosure and sustainable targets

We are happy to share that we started our climate related reporting in FY2022 and have committed to adopt the Task Force on Climate-related Financial Disclosure ("TCFD") recommendations on climate-related disclosures.

Aligned to this, a major highlight in 2022 was the establishment of the Japfa Sustainability Targets which set out measurable, science-based environmental and social targets and our roadmap towards achieving them. The data that we collected are then integrated in the Japfa Sustainability Reporting System ("JSRS"). Through these targets, we hope to improve the sustainability of our operations and contribute to the UN Sustainable Development Goals.

Under our *Environmental targets,* Japfa aims to achieve Net Zero by 2050. Our focus is on reducing Scope-1 GHG emissions at our poultry commercial farming operations and mitigate the risk of climate change through closed-house poultry systems. Poultry is the main protein that Japfa produces, and poultry is a low carbon emitter, especially in terms of Scope-1 emissions. Although GHG is not a major issue in Japfa, we still set environmental sustainability targets to do our part in helping to reduce global warming. Our transition pathway is to cut the Scope-1 GHG emissions per kilogramme of live bird produced by 25% by 2030 and 50% by 2040. We also aim to transition to 100% closed-house poultry systems at new Japfa-managed farms by 2030 and eliminate the use of coal by 2040 across the Group. Notably, Japfa derived its environmental targets using results from the science-

SUSTAINABILITY

based Life Cycle Assessment ("LCA") conducted on our poultry operations in Indonesia, which is the largest single contributor to Group's revenue.

Strengthening our sustainability foundation for the future, we have started the process of widening our environmental LCA to cover a larger data base across our poultry operations in Vietnam, India and Myanmar. This will help us to identify country-specific key focus areas where we can make a positive impact to the environment.

Our next milestone is to expand the environmental LCA to cover our swine operations in Vietnam. Upscaling LCA is a continuation of our sustainability efforts and integral in our pursuit to reduce emissions, reduce our dependence on non-renewable energy sources and progress towards Net Zero.

Social: People development

Under our *Social targets*, Japfa aims to further advance sustainable agriculture through professional development, skills improvement and education programmes for our people, farmers and the community. Under this, we will enhance the breadth and depth of training for both our employee and contract farmers. In terms of annual average training per person, Japfa aims to increase training to 16 hours by 2030 and 24 hours by 2040 for employees, whilst also raising training for contract farmers requiring technical support by 25%.

To support our commitment to people development, last year we established Japfa The Learning Centre ("JTLC") as a dedicated place for employees to meet, train and share knowledge as well as a hub for recreation and networking. JTLC is an initiative by our late Chairman Mr Handojo Santosa, that will have a great impact on Japfa into the future.

Our people development targets also extend to our farmers who are an integral part of our supply chain. We have established research centres and continue to develop knowledge with them while providing technical assistance and facilitating skill improvement.

Governance: Sustainability governance and risk management

Japfa has been a forerunner in embedding a sustainability culture, with a motto of *Growing Towards Mutual Prosperity*. The recent sustainability initiatives enhance and deepen our commitment to ESG. Our accomplishments in sustainability stems from top-down guidance by our senior management who act as stewards and is also buoyed from the bottom-up by our employees.

Our Sustainability Committee, with the support of the Management Risk Committee ("MRC"), is part of the Group's sustainability governance. The Committee assists Japfa's Board of Directors in making strategic decisions and long-term plans related to sustainability and is also responsible for overseeing sustainability-related issues, such as climate-related risks, opportunities and strategy implementation.

We manage risks and opportunities, including climate-related risks, through an Enterprise Risk Management ("ERM") system. Currently, we are in the process of integrating ERM into the Group's regular course of corporate and business activities. We apply ISO 31000: 2018 Risk Management Guidelines which serve as the foundation for our risk management processes.

At the same time, all our directors have fulfilled the required sustainability training in FY2022, as mandated by the SGX under its enhanced sustainability reporting rules.

OUR SUSTAINABILITY JOURNEY

Our sustainability journey continues with significant milestones achieved every year. Going forward, we will continue to explore opportunities in this crucial area.

To learn more about our comprehensive sustainability initiatives, please download Japfa's 2022 Sustainability Report from www.japfa.com. The report was prepared in accordance with the Global Reporting Initiative (GRI) standards: Core Option.

BOARD OF DIRECTORS

TAN YONG NANG

Executive Director & Chief Executive Officer

Mr Tan was appointed Executive Director on 1 June 2009 and last re-elected on 14 April 2022. 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 BVI 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 BVI. 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.

KEVIN JOHN MONTEIRO

Executive Director & Chief Financial Officer

Mr Monteiro was appointed Executive Director on 16 April 2014 and last re-elected on 14 April 2022. 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.

BOARD OF DIRECTORS

RENALDO SANTOSA
Executive Director and Head of Strategic Projects

Mr Renaldo Santosa was appointed as an Executive Director on 1 December 2022. He was the Alternate Director to our late Executive Chairman, Mr Handojo Santosa, from 15 April 2021 to 25 September 2022. Mr Renaldo Santosa holds also the position of Head of Strategic Projects at Annona Technical Service Pte Ltd, a subsidiary of 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 Renaldo 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 Renaldo 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 14 April 2022.

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 was the branch manager at the Head Office (Operational) of Bank Dagang Nasional Indonesia from 1983 to 1988, when he was involved in organising and managing various departments within the branch.

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 since 2010.

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.

NG QUEK PENG

Lead Independent Director

Mr Ng has been an Independent Director of our Board since 29 July 2014 and last re-elected on 14 April 2022. He was appointed Lead Independent Director on 18 April 2019.

Mr Ng has more than 30 years of experience in the corporate finance and securities industry in Singapore and Malaysia, advising clients on corporate restructuring, mergers and acquisitions and fund raising. In the course of his career, he has held positions in foreign and local financial institutions, including Citicorp Investment Bank (Singapore) Ltd, OCBC Securities Pte Ltd, ABN Amro Bank and CIMB Bank Berhad, Singapore Branch. Mr Ng was with Temasek Holdings Private Ltd as Managing Director of its Portfolio Management division and as Chief Representative China. He was also a Director of GMR Infrastructure (Singapore) Pte. Ltd (part of the India-based GMR Group) and was involved in the development of their infrastructure projects in Southeast Asia.

Mr Ng graduated with a degree in Civil Engineering from the University of London in 1976 and has been a member of the Institute of Chartered Accountants in England and Wales since 1980.

LIEN SIAOU-SZE

Independent Director

Ms Lien was appointed to our Board on 29 July 2014 and last re-elected on 14 April 2022.

Ms Lien currently serves as the Chairwoman of the Board of Directors of the Confucius Institute at Nanyang Technological University. Ms Lien joined Hewlett-Packard Singapore (Private) Limited ("HP") in 1978. During her time at HP, she headed its Technology Solutions Group Asia Pacific and Japan and retired from HP in 2007 as a Senior Vice President.

She is currently a Vice President (University Advancement) at Nanyang Technological University, Singapore.

Ms Lien graduated with a Bachelor of Science degree in Physics from the former Nanyang University in 1971 and attained a Master degree in Computer Science from London University, Imperial College of Science and Technology in 1973. In 2011, she was awarded the Bintang Bakti Masyarakat (Public Service Star) for valuable public service by the Singapore Government and was also appointed a Justice of the Peace by the President of Singapore in 2013.

MANU BHASKARAN

Independent Director

Mr Bhaskaran was appointed to our Board on 18 April 2019 and last re-elected on 14 April 2022.

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 Competition Appeals Board, Singapore; Member of the Regional Advisory Board for Asia of the International Monetary Fund; Council Member in Singapore Institute of International Affairs (SIIA); and, Vice-President, Economics Society of Singapore. He currently serves on the boards of CIMB Investment Bank and Luminor Capital.

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 14 April 2022.

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 14 April 2022.

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.

EDGAR DOWSE COLLINS

Head of Dairy[1]

Mr Collins is responsible for the day-to-day operations of our Group's Dairy Division and is in charge of formulating, developing and implementing both strategic and long-term business plans for the dairy operations.

Mr Collins has accumulated many years of industry experience having been involved in beef and cattle operations throughout his career.

He joined the Japfa Group in 1992 and was the Head of Operations of PT Santosa Agrindo, where he was involved in the development of the cattle and beef business in Indonesia. He headed the Dairy Division from 1997 to 2022 and last held the position of Executive Director and Chief Executive Officer of Austasia Group Ltd ("AAG"), that operates the dairy business in China[1].

Prior to joining the Japfa group, Mr Collins was General Manager for approximately two years at BxE Commodities Pty Ltd, a company engaged in the business of import and trading of cattle feed commodities in Australia's and New Zealand's dairy industries. While there, he was involved in establishing a system for the importation, trading and distribution of its feed products such as coprameal and palm kernel extract to commercial farmers and feedmills.

1 AAG and its subsidiaries ceased to be a member of Japfa group on 30 December 2022.

SENIOR MANAGEMENT

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

Country Head, Japfa Comfeed Vietnam Limited Company

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.

YANG KU

Chief Operating Officer, Dairy[1]

Mr Yang is responsible for the management and operations of dairy farms and has held the position of Chief Operating Officer of our Dairy Division since October 2015. He joined the Dairy Division as General Manager in 2009 and was promoted to his current position.

Mr Yang has more than 30 years of experience in the dairy industry. Prior to joining our Group, Mr Yang worked in Mengniu AustAsia Model Dairy, then a subsidiary of the Group, from 2004 to 2009 where his last held position was General Manager. From 1991 to 2004, Mr Yang worked at Teaching Experiment Farm of Ningxia University as a technician where he was responsible for technical and production management of the chicken, pig and cattle farms.

Mr Yang obtained a Bachelor in Animal Husbandry from School of Agriculture, Ningxia University, China and a Master in Animal Nutrition and Feed Science from Chinese Academy of Agricultural Sciences, China.

1 AAG and its subsidiaries ceased to be a member of Japfa group on 30 December 2022.

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 2018 Code, and will regularly review its governance policies and practices to track developments in market best practices and regulations.

Principle 1: The Board's Conduct of Affairs

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

The principal functions of the Board of Directors (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"), Nominating Committee ("NC"), 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 Chairman, Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") 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 approval include material corporate restructuring, joint venture, mergers 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 the 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 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.

CORPORATE GOVERNANCE

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. In FY2022, all Directors completed a Listed Entity Director Programme – Environmental, Social and Governance Essentials conducted by Singapore Institute of Directors.

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. Site visits resumed in following the lifting of travel restrictions in FY2022.

Attendance of Board and Committee meetings in FY2022

	Board Meetings	ARC Meetings	NC Meeting	RC Meetings
Number of meetings held	**6**	**6**	**1**	**3**
Name of Directors	**Number of meetings attended**			
Handojo Santosa @ Kang Kiem Han or by his alternate, Renaldo Santosa	4	1^	NA	NA
Hendrick Kolonas	6	5^	NA	NA
Tan Yong Nang	6	5^	NA	NA
Kevin John Monteiro	6	6^	NA	NA
Renaldo Santosa	6	3^	NA	NA
Ng Quek Peng	6	6	1	NA
Lien Siaou-Sze	6	5^	1	3
Manu Bhaskaran	6	5^	1	NA
Tan Kian Chew	6	6	NA	3
Chia Wee Boon	6	6	NA	3

^ By invitation

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 interests of the company.

For FY2022, the Board comprises nine Directors, with Independent Directors making up a majority of the Board as required under guideline 2.2 of the 2018 Code.

The independence of each director is assessed and reviewed annually by the NC. In its deliberation on the independence of a director, the NC took into account guideline 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.

NC assessed and was satisfied that the Independent Directors which it recommended to stand for re-election at the 2022 AGM and the forthcoming 2023 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.

Japfa formalised its culture of inclusiveness through merit over gender, race, religion and social and cultural background into a formal policy of "diversity from inclusiveness - the best person for the job regardless of gender, age, race, religion, social and cultural background"in 2021. The current Board comprises 9 board members with a wide range of skills, knowledge, experience and geographical exposure. Out of the 9 Board members, 5 are Independent Directors and, since our listing in 2014, there has been a female Director on our Board. As demonstrated in the biographical notes in the Annual Report, the current Board includes members with different backgrounds and experience (including banking, finance, technology, distribution and agri-food).

CORPORATE GOVERNANCE

The Company believes that its Board has an appropriate level of independence and diversity thought and background in its composition to enable it to make decisions in the best interests of the CompanyThe nature of the Directors' appointments and committee memberships for FY2022 is set out below:

Board Composition Table						
Name	**Date of Appointment and Cessation (where applicable)**	**Date of re-election**	**Board Membership**	**ARC**	**NC**	**RC**
Handojo Santosa	19 December 2008 25 September 2022 (Demised)	14 April 2022	Executive Chairman	–	–	–
Tan Yong Nang	1 June 2009	14 April 2022	Executive	–	–	–
Kevin John Monteiro	16 April 2014	14 April 2022	Executive	–	–	–
Renaldo Santosa	15 April 2021 Alternate Directorship ceased on 25 September 2022 1 December 2022	N.A	Alternate Director to Handojo Santosa** 1 Jan 2022-25 Sept 2022 Executive	–	–	–
Hendrick Kolonas	18 February 2013	14 April 2022	Non-Executive	–	–	–
Ng Quek Peng	29 July 2014	14 April 2022	Independent Lead ID	Chairman	Member	–
Lien Siaou-Sze	29 July 2014	14 April 2022	Independent	–	Member	Chairwoman
Manu Bhaskaran	18 April 2019	14 April 2022	Independent	–	Chairman	–
Tan Kian Chew	18 April 2019	14 April 2022	Independent	Member	–	Member
Chia Wee Boon	1 January 2021	14 April 2022	Independent	Member	–	Member

***Alternate Directorship does not add to board size*

Principle 3: Chairman and CEO

There is a clear division of responsibilities between the leadership of the Board and Management, and no one 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.

In FY2022, both the Chairman and the CEO are Executive Directors.

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 responsible for the overall direction of our Group's business and operations strategies, including making any major corporate decisions. He oversees the formulation of our Group's corporate planning, strategic direction, business and corporate policies and is responsible for the workings of the Board. He 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 Board and is responsible for all day to-day operation of the Company.

CORPORATE GOVERNANCE

Principle 4: Board Membership

The Board has a formal and transparent process for the appointment and reappointment of 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 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, 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.

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 evaluates its 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 for 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.

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 before recommending Directors to stand for re-election at the AGM.

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.

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, NC recommended that all Directors (other than Mr Ng and Ms Lien who will be retiring at the AGM following conclusion of their ninth-year tenor) be nominated to stand for re-election at the AGM.

Principle 6: Procedures for Developing Remuneration Policies

The Board has a formal and transparent procedure for developing policies on director and executive 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 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.

CORPORATE GOVERNANCE

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 Executive Director and Key Executive 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 Executive Chairman and CEO and the Long-Term Incentive Plan approved by RC was designed by Mercer Singapore.

Directors' Remuneration

Shareholders approved the payment of FY2022 up to Q12023 Directors' fees at the Annual General Meeting held on 14 April 2022 ("2022 AGM").

Fee Structure for Non-Executive Director

Appointment	Fees (Per Annum)
Board Chairman	165,000
Board Member	95,000
Audit Committee Chairman	33,000
Remuneration Committee Chairman	30,000
Nominating Committee Chairman	25,000
Lead Independent Director	12,000
Committee Member	12,500

The breakdown of Directors' remuneration for FY2022 is set out below:

Name of Directors	Directors' Fees	Salary[1, 2]	Allowances/ Benefits	Cash Bonus/ Cash-based Incentive	Equity-based Incentive[3]	Total (rounded)
	%					S$ '000
Executive Chairman						
Late Mr Handojo Santosa[4]	–	100%	–	–	–	1,837[5]
Executive Directors						
Mr Tan Yong Nang[4]	–	36%	–	25%	39%	4,959
Mr Renaldo Santosa[4]	–	50%	1%	49%	–	1,592
Mr Kevin Monteiro	–	68%	13%	3%	16%	1,087
Non-Executive Director						
Mr Hendrick Kolonas[4]	4%	66%	–	30%	–	1,803
Independent Directors						
Mr Ng Quek Peng	100%	–	–	–	–	153
Ms Lien Siaou-Sze	100%	–	–	–	–	138
Mr Chia Wee Boon	100%	–	–	–	–	120
Mr Tan Kian Chew	100%	–	–	–	–	120
Mr Manu Bhaskaran	100%	–	–	–	–	120

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

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

3 *This amount includes a conditional grant of share awards from Group companies. Disclosure is based on 100% of the grant. The shares awards on vesting could range from 0% to 100% for Japfa PSP, and 0 to 200% for AustAsia PSP, depending on the level of achievement against pre-set performance conditions. Equity-based incentives are disclosed based on year of grant, cash-based incentives are disclosed based on year of vesting.*

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

5 *Does not include condolence gratuity given to his family.*

CORPORATE GOVERNANCE

The breakdown of top 5 Key Executives' renumeration for FY 2022 is set out below:

Name of Key Executives	Salary[1]	Allowances/ Benefits	Cash Bonus/ Cash-based Incentive	Equity-based Incentive[2]
	%			
S$2,000,001 to S$2,250,000				
Mr Antonius Harwanto	21%	2%	71%	6%
S$1,750,001 to S$2,000,000				
Mr Edgar Dowse Collins	31%	13%	12%	44%
S$1,250,001 to S$1,500,000				
Mr Yang Ku	41%	–	35%	24%
S$1,000,001 to S$1,250,000				
Ms Christina Chua Sook Ping	76%	2%	5%	17%
S$500,001 to S$750,000				
Mr Arif Widjaja	76%	20%	4%	–

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

2 *This amount includes a conditional grant of share awards from Group companies. Disclosure is based on 100% of the grant. The shares awards on vesting could range from 0% to 100% for Japfa PSP, and 0 to 200% for AustAsia PSP, depending on the level of achievement against pre-set performance conditions. Equity-based incentives are disclosed based on year of grant, cash-based incentives are disclosed based on year of vesting.*

	Total S$'000
Aggregate of total remuneration paid to top 5 Key Executives	**7,078**

Remuneration paid to employees who are Substantial Shareholders or an immediate family member of a Director or Substantial Shareholder of the Company for FY2022 is set out below:

Remuneration Bands/ Name of Employee	Relationship
S$400,001 to $500,000 Gabriella Santosa	Daughter of Late Director and Executive Chairman, Handojo Santosa and Substantial Shareholder, Farida Gustimego Santosa; Sister of Director, Renaldo Santosa and Substantial Shareholders, Mikael Santosa and Raffaela Santosa; Gabriella is also a deemed Substantial Shareholder of the Company by virtue of her being a joint investment power holder of Scuderia Trust (with Renaldo Santosa)
S$300,001 to $400,000 Aldrian Irvan Kolonas	Son of Director, Hendrick Kolonas and brother of Substantial Shareholder, Rachel Anastasia Kolonas.

Proposed New Fee Structure for Non-Executive Directors

The existing fee structure for Non-Executive Directors was last adjusted at the AGM2021.

RC has accepted the Management's recommendation to adjust both Board and Committee Members proposed fee structure for Non-Executive Directors. The proposed fee adjustment will be submitted to Shareholders' for approval at the forthcoming AGM. If approved, the New Fee Structure will apply commencing 2Q2023:

Fee Structure for Non-Executive Director		
Appointment	Existing Fees (S$ Per Annum)	New Fees commencing 2Q2023 (S$ Per Annum)
Board Chairman	165,000	145,000
Board Member	95,000	95,000
Audit Committee Chairman	33,000	25,000
Remuneration Committee Chairman	30,000	20,000
Nominating Committee Chairman	25,000	20,000
Lead Independent Director	12,000	12,000
Committee Member	12,500	15,000

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 Remuneration Committee of the Company.

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

6,223,900 Share Awards were granted for FY2022.

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[1]	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	3,466,300	34,223,700	30,071,300	4,852,500
	Kevin Monteiro	513,200	2,865,200	2,290,800	637,000
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 FY2020 and PSP FY2021 shares vested could range from 0% to 200% and PSP FY2022 could range from 0 to 100%, depending on the level of achievement against pre-set performance conditions.*

[2] *Shares issued is based on actual achievement levels and adjusted for changes to capital.*

PT Japfa Performance Share Plan

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

AAG Performance Share Plan ("AAG PSP")*

The AustAsia Group Ltd ("AAG") has been in effect since 3 July 2020 and was administered by the Plan Committee constituted under the AAG PSP.

For a summary of the AAG PSP, please refer to Note 27E of the financial statements.

Performance Share Awards granted to Directors and participants who received share awards equal to 5% or more of the AAG PSP are disclosed below:

		Share awards granted during financial year under review[1 3]	Aggregate share awards granted since commencement of AAG PSP to end of financial year under review[1 3]	Aggregate shares issued since commencement of AAG PSP to end of financial year under review[1 2 3]	Aggregate share awards outstanding under the AAG PSP as at end of financial year under review[1 3]
Directors	Tan Yong Nang	283,235	8,404,735	8,008,280	597,735
	Edgar Dowse Collins	314,500	7,141,000	6,713,280	629,000
	Yang Ku	125,800	2,874,900	2,703,960	251,600
	Gao Lina	83,250	83,250	0	83,250
Participants who received share awards during the financial year equal to 5% or more of the AIH PSP	N.A.	N.A.	N.A.	N.A.	N.A.

* *On 30 December 2022, the date of listing of AAG on HKEX, the Company distributed all of its AAG shares (excluding fractional entitlement) to its shareholders. Upon which AAG ceased to be a subsidiary of the Company.*

1 *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. Shares shown are after share split in Dec 2022.*

2 *As the vesting date happened in Mar 2022 before IPO, PSP FY2020 annual award was cash-settled and PSP FY2020 SIG was shares-settled in Dec 2022.*

3 *Share award numbers are stated post AAG's share-split of 1.85 in Dec 2022.*

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.

<u>ARC Composition and Role</u>

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 BOD 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 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 BOD and report to the BOD 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.

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 FY2022, the independent directors, led by the lead independent director, meet 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, 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.

CORPORATE GOVERNANCE

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 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, India and China), there is an in-house Internal Control function for design and implementation of the internal controls system.

Enterprise Risk Management

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

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 (eg 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 FY2022 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 that 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, India and China. 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. Chairman of the ARC meet up the Internal Auditor without the presence of the Management on a quarterly basis.

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 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.

CORPORATE GOVERNANCE

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.

In FY2022, as a precautionary measure due to the COVID-19 situation in Singapore, Shareholders were unable to attend the Annual General Meeting ("AGM") in person. Alternative arrangements were put in place to allow Shareholders to participate at the general meetings by way of (A) watching the meeting proceedings via "live" webcast or listening to the proceedings via "live" audio feed, (B) submitting questions in advance of the general meetings, and/or (c) voting by proxy at the AGM. Questions received were addressed at the AGM and duly recorded in the minutes of meeting and published on the SGXnet and the Company website. With the ease of the Covid-19 situation, the Company held a physical meeting for its Extraordinary Meeting of 7 November 2022.

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.

CORPORATE GOVERNANCE

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.

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

The aggregate value of interested person transactions entered into the Group in FY2022 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 Handojo Santosa		
– Lease of vehicles	323	–
– Lease of office	289	–
Associates of Hendrick Kolonas		
Provision of insurance	1,172	–
Supply of goods	7,974	
Associates of Handojo Santosa and Hendrick Kolonas		
Lease of office	2,010	

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.

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

Tan Yong Nang

Date of Appointment	1 June 2009
Date of last re-appointment	14 April 2022
Age	62
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 (save for Mr Ng and Ms Lien who have reached the nine-year tenure limit and are retiring at AGM) 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 97,263,060 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

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)	Apachee Pte Ltd Central India Poultry Breeders Pvt Ltd Japfa Comfeed Bin Thuan Limited Jupiter Food Vietnam Limited Liability Company PT So Good Food Great Beta Investments Limited
Present	Annona Pte Ltd AustAsia Group Ltd AIH2 Pte Ltd Japfa Ltd Falcon Dairy Holdings Limited (In Members' Voluntary Liquidation) 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 Jupiter Foods Pte Ltd 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 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
(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 –		No
	(i)	any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	
	(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

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

Kevin John Monteiro

Age	67
Date of Appointment	16 April 2014
Date of last re-appointment	14 April 2022
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 (save for Mr Ng and Ms Lien who have reached the nine-year tenure limit and are retiring at AGM) 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
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)	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): Japfa South-Asia Investments Pte Ltd Japfa Myanmar JV Pte Ltd Japfa Vietnam Investments Pte Ltd Jupiter Foods 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

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

(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
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of –	No
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	
	(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

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

(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

Age	33
Date of Appointment	1 December 2022
Date of last re-appointment	N.A.
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 (save for Mr Ng and Ms Lien who have reached the nine-year tenure limit and are retiring at AGM) 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 14 April 2022. 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 Mar2017 – 14 Apr 2022 Japfa Ltd, Head of Business Development and Strategy 14 Apr 2022 – present Annona Technical Services Pte Ltd, Head of Strategic Projects 15 Apr 2021 – 25 Sep 2022 Alternate Director to Mr Handojo Santosa 1 Aug 2022 – 30 Nov 2022 Executive Vice President, Chairman's Office
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
(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

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 –	No
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	
	(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	14 April 2022
Age	67
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 (save for Mr Ng and Ms Lien who have reached the nine-year tenure limit and are retiring at AGM) 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 – present 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
(c) Whether there is any unsatisfied judgment against him?	No

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

(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
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of –	No
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

	(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	14 April 2022
Age	65
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 (save for Mr Ng and Ms Lien who have reached the nine-year tenure limit and are retiring at AGM) 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
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

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)	IFS Capital Limited# Jebsen & Jessen SE Asia Ltd MinorCap Pte 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

(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

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

(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
(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

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

(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	14 April 2022
Age	69
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 (save for Mr Ng and Ms Lien who have reached the nine-year tenure limit and are retiring at AGM) 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
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

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

Other Principal Commitments* including Directorships#

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

Past (for the last 5 years)	ARA Trust Management (Suntec) Limited CapitaLand Mall Trust Management Limited
Present	PSC Corporation Ltd# Japfa 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

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

(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
(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?

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

(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	14 April 2022
Age	65
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 (save for Mr Ng and Ms Lien who have reached the nine-year tenure limit and are retiring at AGM) 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

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

Working experience and occupation(s) during the past 10 years	2020 – Present Auxilium Pte Ltd,Managing Partner, 2019 – Present SingTel Group Strategy, Advisor, 2009 – 2022 NCS Pte Ltd, Chief Operating Officer/Chief Executive Officer
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)	Non Executive Director, HOPE Technik Pte Ltd Member of SIM Society Governing Council
Present	Managing Partner, Auxilium Pte Ltd Member of the Board of Directors, Singapore Institute of Management

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
(c) Whether there is any unsatisfied judgment against him?	No

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

(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
(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

INFORMATION OF DIRECTORS SEEKING RE-ELECTION

	(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 2022.

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 2022 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 Yong Nang
Kevin John Monteiro
Renaldo Santosa (Appointed on 1 December 2022)
Hendrick Kolonas
Ng Quek Peng
Lien Siaou–Sze
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' STATEMENT

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

Name of directors	Direct interest: At beginning of the financial year/date of appointment	Direct interest: At end of the financial year	Direct interest: At 21 Jan 2023	Deemed interest: At beginning of the financial year/date of appointment	Deemed interest: At end of the financial year	Deemed interest: At 21 Jan 2023
Ordinary shares of Japfa Ltd						
Tan Yong Nang	–	–	–	97,109,060	97,263,060	97,263,060
Kevin John Monteiro	–	–	–	4,340,230	4,595,230	4,595,230
Renaldo Santosa	–	–	–	1,170,475,175	1,238,175,175	1,238,175,175
Ng Quek Peng	–	–	–	550,000	550,000	550,000
Lien Siaou–Sze	–	–	–	687,500	687,500	687,500
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

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.

DIRECTORS' STATEMENT

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

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 27E of the financial statements.

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

Name of Directors	Share awards granted during financial year under review[1]	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	3,466,300	34,223,700	30,071,300	4,852,500
Kevin John Monteiro	513,200	2,865,200	2,290,800	637,000

[1] *Based on 100% of the grant. Upon vesting, PSP FY2020 and PSP FY2021 shares vested could range from 0% to 200% and 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 adjusted for changes to capital.*

AAG Performance Share Plan ("AAG PSP")

The AustAsia Group Ltd ("AAG") has been in effect since 3 July 2020 and is administered by the Plan Committee constituted under the AAG PSP.

For a summary of the AAG PSP, please refer to Note 27E of the financial statements.

Performance share awards granted to a Director under the AAG PSP are disclosed below:

Name of Director	Share awards granted during financial year under review[1 3]	Aggregate share awards granted since commencement of AAG PSP toend of financial year under review[1 3]	Aggregate shares issued since commencement of AAG PSP to end of financial year under review[1 2 3]	Aggregate share awards outstanding under the AAG PSP as at end of financial year under review[1 3]
Tan Yong Nang	283,235	8,404,735	8,008,280	597,735

* *On 30 December 2022, the date of listing of AAG on Stock Exchange of Hong Kong, the Company distributed all of its AAG shares (excluding fractional entitlement) to its shareholders under the Distribution in Specie. Upon which AAG ceased to be a subsidiary of the Company.*

1 *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. Shares shown are after share split in December 2022.*

2 *As the vesting date happened in March 2022 before IPO, PSP FY2020 annual award was cash-settled and PSP FY2020 SIG was shares-settled in December 2022.*

3 *Share award numbers are stated post AAG's share-split of 1.85 in December 2022*

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 27D 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
- Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC
- 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
27 March 2023

INDEPENDENT AUDITOR'S REPORT

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 2022, 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 a summary of significant accounting policies.

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 the financial position of the Company as at 31 December 2022 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. 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. 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 in Note 19 to the financial statements.

(2) Valuation of defined benefit plan liabilities

The Group maintains defined benefit plans and records the plan liabilities in accordance with Indonesian Labour Laws for its employees in Indonesia. An independent actuary is engaged to assist management with the valuation of the plan liabilities. We consider the valuation of the defined benefit plan liabilities 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) checked the competency, objectivity and capabilities of the independent external actuary; (ii) tested samples of the employees' payroll details used; (iii) evaluated the reasonableness of key inputs and assumptions used, such as the total annual salaries, salary increment rate and resignation rate against historical data, and the discount rate and expected mortality rates used against the market data; (iv) engaged our internal specialists to assist us in assessing the reasonableness of the valuation; (v) checked the computational accuracy of the valuations and evaluate the sensitivity of the outcomes by considering reasonably plausible changes to the key assumptions; 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 and Vietnam 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$22.8 million and US$7.2 million in Myanmar, and US$178.5 million and US$188.9 million in Vietnam as well as the Company's investments in Japfa Myanmar JV Pte. Ltd amounting to US$29.8 million and Japfa Vietnam Investments Pte Ltd amounting to US$167.2 million. Recoverable amounts of the respective cash generating units 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) checked the competency and capabilities of the management personnel involved in the preparation of the discounted cash flows, (ii) evaluated the appropriateness of valuation approach used; (iii) tested the information and key assumptions used, including the revenue growth, cost of production, terminal value, discount rates, comparing projected cashflows against historical information, and comparing prices and discount rates to the internal and external sources of data; (iv) engaged our internal valuation specialists to assist us in assessing the reasonableness of the discount rates and long term growth rates used; (v) checked the computational accuracy of the valuations and evaluated the reasonableness of the outcomes by considering reasonably plausible changes to the key assumptions; and (vi) assessed the adequacy of the disclosures in Note 17 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JAPFA LTD.

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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JAPFA LTD.

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

27 March 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 US$'000	2021 US$'000 (Restated)
Continuing operations			
Revenue	4	4,363,800	4,091,782
Cost of sales		(3,806,281)	(3,459,670)
Gross profit		557,519	632,112
Interest income	5	3,765	4,310
Other (loss)/gains, net	6	(2,677)	23,502
Marketing and distribution costs	7	(141,452)	(130,382)
Administrative expenses	8	(260,545)	(282,947)
Finance costs	9	(87,059)	(76,526)
Foreign exchange adjustments gain, net		(1,385)	(8,329)
Changes in fair value of biological assets	19	(4,736)	(2,893)
Share of (loss)/gain from equity-accounted associates and joint venture	18	(193)	975
Profit before income tax from continuing operations		63,237	159,822
Income tax expense	11	(24,986)	(51,675)
Profit for the year from continuing operations, net of tax		38,251	108,147
Discontinued operations			
Profit after tax from discontinued operations	17E	23,394	104,571
Profit for the year, net of tax		61,645	212,718
Profit for the year, net of tax attributable to:			
– Owners of the parent		8,156	118,833
– Non-controlling interests		53,489	93,885
		61,645	212,718
Basic and diluted earnings per share (cents)	12	0.40	5.82

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 2022

	Note	2022 US$'000	2021 US$'000 (Restated)
Profit for the year, net of tax		61,645	212,718
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	5,547	7,314
Net gain on equity instruments designated at fair value through other comprehensive income		–	840
Items that may be reclassified subsequently to statement of comprehensive income:			
Exchange differences on translating foreign operations		(97,127)	(18,324)
Share of other comprehensive income of equity–accounted associates and joint ventures, net of tax	18	(1,549)	(301)
Cash flow hedges		(20,810)	(2,768)
		(113,939)	(13,239)
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	(417)
Items that may be reclassified subsequently to statement of comprehensive income:			
Exchange differences on translating foreign operations		(70,894)	17,239
		(70,488)	16,822
Other comprehensive income for the year, net of tax		(184,427)	3,583
Total comprehensive income		(122,782)	216,301
Total comprehensive income, net of tax attributable to:			
– Owners of the parent		(108,027)	118,779
– Non-controlling interests		(14,755)	97,522
		(122,782)	216,301

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Group 2022 US$'000	Group 2021 US$'000	Company 2022 US$'000	Company 2021 US$'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	968,094	1,341,657	78	99
Right-of-use assets	14	205,135	336,911	494	988
Investment properties	15	23,047	25,874	–	–
Intangible assets	16	12,698	14,543	–	–
Investment in subsidiaries	17	–	–	410,913	908,735
Investments in associate and joint ventures	18	35,664	34,368	28,000	28,000
Biological assets	19	40,845	511,998	–	–
Deferred tax assets	11	58,613	36,412	–	–
Real estate assets	20	62,481	69,158	–	–
Other receivables	21	965	12,994	–	–
Other financial assets	22	15,408	18,252	–	–
Other assets, non-current	23	37,824	43,623	–	–
		1,460,774	2,445,790	439,485	937,822
Current assets					
Inventories	24	948,923	1,120,839	–	–
Biological assets	19	136,979	108,839	–	–
Trade and other receivables	21	190,807	231,905	5,111	40,872
Other financial assets	22	12,219	2,552	12,034	2,404
Other assets, current	23	37,460	71,722	919	2,627
Cash at banks	25	280,695	320,566	76,816	137,860
		1,607,083	1,856,423	94,880	183,763
Total assets		3,067,857	4,302,213	534,365	1,121,585
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	26	478,898	1,059,882	478,898	1,059,882
Treasury shares	26	(13,724)	(14,125)	(13,724)	(14,125)
Retained earnings		607,736	709,272	81,978	84,116
Other reserves	27	(9,297)	(157,676)	(18,294)	(16,082)
Translation reserve	27	(248,664)	(170,381)	–	–
Equity, attributable to owners of the parent		814,949	1,426,972	528,858	1,113,791
Non-controlling interests		400,317	719,480	–	–
Total equity		1,215,266	2,146,452	528,858	1,113,791

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Group		Company	
		2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Non-current liabilities					
Defined benefit plan liabilities	28	75,209	88,643	–	–
Deferred tax liabilities	11	4,226	5,987	–	–
Trade and other payables, non-current	29	423	15,609	–	320
Loan and borrowings, non-current	30	616,985	735,109	–	–
Lease liabilities	31	148,096	263,260	29	529
Other financial liabilities	22	–	1,249	–	–
Other liabilities, non-current	32	807	4,353	–	–
		845,746	1,114,210	29	849
Current liabilities					
Income tax payable		16,930	22,537	535	192
Trade and other payables, current	29	299,596	403,143	4,440	6,270
Loan and borrowings, current	30	657,587	573,787	–	–
Lease liabilities	31	20,542	24,390	503	483
Other financial liabilities	22	274	152	–	–
Other liabilities, current	32	11,916	17,542	–	–
		1,006,845	1,041,551	5,478	6,945
Total liabilities		1,852,591	2,155,761	5,507	7,794
Total equity and liabilities		3,067,857	4,302,213	534,365	1,121,585

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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)	–	–
Reissued treasury shares by the Company pursuant to 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.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 2021	1,962,023	1,419,708	1,059,882	(22,886)	770,228	(219,850)	(167,666)	542,315
Total comprehensive income for the year	216,301	118,779	–	–	122,793	(1,299)	(2,715)	97,522
Contribution by and distribution to owners								
Purchase of treasury shares by the Company	(2,950)	(2,950)	–	(2,950)	–	–	–	–
Purchase of treasury shares by subsidiary	(5,239)	–	–	–	–	–	–	(5,239)
Reserve arising from disposal of subsidiary without loss of control	146,000	49,455	–	–	–	49,455	–	96,545
Acquisition of non-controlling interests without change of control	(8,105)	(4,232)	–	–	–	(4,232)	–	(3,873)
Transfer of share-based payment reserve to liability	(1,199)	(1,199)	–	–	–	(1,199)	–	–
Reissued treasury shares by the Company pursuant to performance share plan	–	–	–	11,711	–	(11,711)	–	–
Value of employee services pursuant to performance share plan	18,590	13,823	–	–	–	13,823	–	4,767
Difference arising from transaction with non-controlling interests	(145)	(145)	–	–	–	(145)	–	–
Issuance of new shares to non-controlling interests without change of control	3,409	–	–	–	–	–	–	3,409
Dividend paid to equity holders of the Company (Note 38)	(166,180)	(166,180)	–	–	(166,180)	–	–	–
Dividend paid by subsidiary to non-controlling interests	(15,966)	–	–	–		–	–	(15,966)
Transfer of cash flow hedge reserve to income statement	(87)	(87)	–	–	–	(87)	–	–
Total contribution by and distribution to owners	(31,872)	(111,515)	–	8,761	(166,180)	45,904	–	79,643
Others								
Transfer to statutory reserve (Note 27C)	–	–	–	–	(17,569)	17,569	–	–
Balance at 31 December 2021	2,146,452	1,426,972	1,059,882	(14,125)	709,272	(157,676)	(170,381)	719,480

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Company	Total equity US$'000	Share capital US$'000	Treasury shares US$'000	Retained earnings US$'000	Other reserves US$'000
Balance at 1 January 2021	1,238,921	1,059,882	(22,886)	210,977	(9,052)
Total comprehensive income for the year	39,319		–	39,319	–
Purchase of treasury shares	(2,950)	–	(2,950)	–	–
Rights issue of new shares by the Company	–	–	11,711	–	(11,711)
Value of employee services pursuant to performance share plan (Note 27E)	4,681	–	–	–	4,681
Dividend paid to equity holders of the Company (Note 38)	(166,180)	–	–	(166,180)	–
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)	–	–
Reissued treasury shares pursuant to performance share plan	–	–	3,067	–	(3,067)
Value of employee services pursuant to performance share plan (Note 27E)	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)

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 2022

	2022 US$'000	2021 US$'000 Restated
Cash flows from operating activities		
Profit before tax from continuing operations	63,237	159,822
Profit before tax from discontinued operation	25,443	107,005
Profit before tax	88,680	266,827
Adjustments for:		
Amortisation of intangible assets		
– Continuing operations	1,096	1,150
– Discontinued operations	351	337
Amortisation of bonds issuance cost	1,969	3,891
Amortisation of premium on option	7,576	10,615
Depreciation of property, plant and equipment		
– Continuing operations	85,161	105,716
– Discontinued operations	21,528	18,694
Amortisation of right-of-use assets		
– Continuing operations	29,491	27,125
– Discontinued operations	3,294	2,827
Write-off of property, plant and equipment	1,440	785
Write-down of inventories	2,310	476
Depreciation of investment properties	725	403
Effect of lease liabilities remeasurement	1,980	939
Fair value loss on derivative financial instruments		
– Continuing operations	(175)	(3,640)
– Discontinued operations	–	(3,995)
Fair value changes on other financial assets	(3)	23
Negative goodwill arising from acquisition of subsidiary	(2)	(7,163)
Fair value gain/(loss) on biological assets		
– Continuing operations	4,736	2,893
– Discontinued operations	19,614	(8,275)
(Gain)/loss on disposal of property, plant and equipment		
– Continuing operations	(558)	(625)
– Discontinued operations	2,759	834
Gain on buy back bonds	(364)	–
Gain on disposal of investment properties	–	(63)
Expenses arising from increase in defined benefit plan liabilities	6,868	10,738
Interest income		
– Continuing operations	(3,765)	(4,310)
– Discontinued operations	(488)	(611)
Interest expense on loans and borrowings		
– Continuing operations	72,258	66,061
– Discontinued operations	21,841	15,534
Interest expense on leases		
– Continuing operations	14,801	10,465
– Discontinued operations	10,686	6,101
Allowance for impairment on trade and other receivables		
– Continuing operations	7,551	1,727
– Discontinued operations	32	4,900
Value of employee services received pursuant to performance share plan		
– Continuing operations	855	4,681
– Discontinued operations	13,016	15,617
Share of loss/(gain) from equity-accounted joint ventures	193	(975)
Net effect of exchange rate changes	(8,772)	12,551
Operating cash flows before changes in working capital	406,684	562,253

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 2022

	2022 US$'000	2021 US$'000
Operating cash flows before changes in working capital	406,684	562,253
Inventories	(169,279)	(330,037)
Biological assets	(67,743)	1,115
Trade and other receivables	(39,449)	197,703
Other assets	(16,324)	(505)
Trade and other payables	169,048	49,965
Defined benefit plan liabilities	(5,150)	(34,237)
Other liabilities	(3,176)	6,262
Net cash flows from operations before tax	274,611	452,519
Income taxes paid	(48,907)	(65,191)
Interest expense paid	(94,099)	(81,595)
Interest paid on lease liabilities	(25,459)	(16,566)
Cash settlement of share appreciation plan	–	(1,832)
Net cash flows from operating activities	106,146	287,335
Cash flows used in investing activities		
Acquisition of subsidiaries, net of cash inflows/(outflows)	82	(115,500)
Purchase of property, plant and equipment (Note 25B)	(332,509)	(215,608)
Purchase of investment properties	(195)	(21,404)
Proceeds from disposal of property, plant and equipment	1,102	3,002
Proceeds from disposal of investment properties	9	203
Additions in real estate assets	(638)	(1,042)
Addition to investment in joint venture	(3,814)	–
Proceeds from disposal of subsidiary without loss of control	–	146,000
Proceeds from issuance of shares to non-controlling interests by subsidiary	–	3,409
Purchase of biological assets	(32,187)	(50,607)
Purchase consideration paid for acquisition of non-controlling interests without change of control	(5,781)	(8,105)
Net cash outflow on distribution of shares in AAG to equity holders of the Company	(35,145)	–
Purchase of intangible assets	(1,353)	(1,940)
Purchase of financial assets	(32)	(73)
Dividend income from joint ventures	148	–
Interest income received	4,253	4,921
Net cash flows used in investing activities	(406,060)	(256,744)

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 2022

	2022 US$'000	2021 US$'000
Cash flows used in financing activities		
Dividends paid by subsidiary to non-controlling interests	(23,844)	(15,966)
Dividends paid to equity holders of the Company	(21,946)	(166,180)
Repayment of principal portion of lease liabilities	(37,839)	(50,709)
Proceeds from new bank loans	410,501	228,533
Increase in cash restricted in use	2,115	400
Purchase of treasury shares by the Company	(2,666)	(2,950)
Purchase of treasury shares by subsidiary	–	(5,239)
Buy back of bonds payable	(1,579)	–
Repayment of bonds payable	(69,358)	(263,999)
Proceeds from issue of bonds	–	342,803
Net cash flows from financing activities	255,384	66,693
Net (decrease)/increase in cash and cash equivalents	(44,530)	97,284
Effect of exchange rate changes on cash and cash equivalents	(6,774)	(1,004)
Cash and cash equivalents, beginning balance	318,137	221,857
Cash and cash equivalents, ending balance (Note 25A)	280,381	318,137

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 17E).

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 2022. 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 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-8: Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
SFRS(I) 17: Insurance Contracts	1 January 2023
Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation and business combinations

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

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 and share option plans

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 shares or options 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 or options that do not ultimately vest, except for options 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 option does 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 option plan

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 option plan 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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) Rental income

Rental income is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.25 Taxes (cont'd)

(b) Deferred tax (cont'd)

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.

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 statement of profit or loss 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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

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.

(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.

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

3.2 Key sources of estimation uncertainty (cont'd)

(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	
	2022 US$'000	2021 US$'000 (Restated)
Continuing operations		
Animal Protein – PT Japfa Tbk	3,281,465	3,123,856
Animal Protein – Other	1,038,267	938,211
Others	44,068	29,715
	4,363,800	4,091,782

Others mainly relate to sales of animal feed raw materials of which (i) sales of US$33.4 million (2021: US$19.8 million) are to a related party that was a former subsidiary and (ii) sales of US$2.2 million (2021: US$5.8 million) are to an associated company. Financials of the former subsidiary are presented as Discontinued Operations in the current period (Note 17E).

4. REVENUE (CONT'D)

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
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
2021			
Sales of animal feed	1,100,222	414,654	1,514,876
Sales of livestock	1,433,162	445,987	1,879,149
Sales of animal protein products	419,651	51,372	471,023

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, such as volume rebates by different product types. 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	
	2022 US$'000	2021 US$'000 (Restated)
Continuing operations		
Interest income from cash deposits in bank	3,765	4,310

6. OTHER (LOSS)/GAINS, NET

	Group	
	2022 US$'000	2021 US$'000 (Restated)
Continuing operations		
Gain on disposal of investment properties	–	63
Insurance compensation	1,291	1,580
Sale of scrap	2,859	3,115
Rental income from investment properties	912	943
Other rental income	404	175
Loss on disposal of property, plant and equipment	558	625
Write-off of property, plant and equipment	(1,440)	(785)
Fair value loss on derivative financial instruments	(175)	(3,640)
Tax and related penalties	–	(5,568)
Negative goodwill arising from acquisition of subsidiary (Note 17D)	2	–
Adjustment to past service cost due to plan amendment and curtailment effect (Note 28)	–	26,543
Allowance for impairment on trade and other receivables	(7,551)	(1,727)
Allowance for decline in value of inventories	(2,064)	(4,370)

7. MARKETING AND DISTRIBUTION COSTS

Continuing operations

The major components include the following:

	Group	
	2022 US$'000	2021 US$'000 (Restated)
Advertising and promotion expense	20,048	19,919
Employee benefits expense	48,471	44,633
Freight charges	32,724	27,039
Sales commission	42	67
Vehicles maintenance	7,191	6,910
Freight forwarding	459	424
Travel and courier services	2,324	2,951
Rental expenses	6,265	6,161
Depreciation expenses	4,125	5,460

8. ADMINISTRATIVE EXPENSES

Continuing operations

The major components include the following:

	Group 2022 US$'000	Group 2021 US$'000 (Restated)
Audit fees:		
– Auditor of the Company	726	744
Non-audit fees:		
– Auditor of the Company	100	61
Employee benefits expense	150,320	166,877
Depreciation and amortisation expense	23,228	24,092
Travel expense	4,437	2,467
Rental expense	3,509	2,740
Professional expense	3,390	7,020
Security expense	1,926	1,881
Miscellaneous office expense	4,553	4,304
Maintenance expense	16,479	12,671
Donations and representation	4,689	4,413
Option premium amortisation expense	7,576	10,615

9. FINANCE COSTS

	Group 2022 US$'000	Group 2021 US$'000 (Restated)
Continuing operations		
Interest expense on loans and borrowings	72,258	66,061
Interest expense on lease liabilities	14,801	10,465
	87,059	76,526

10. EMPLOYEE BENEFITS EXPENSE

	Group 2022 US$'000	Group 2021 US$'000 (Restated)
Continuing operations		
Salaries and bonuses	336,084	348,707
Contributions to defined contribution plans	24,035	18,006
Defined benefits plan expenses (Note 28)	6,868	15,806
Value of employee services received pursuant to performance share plan (Note 27E)	855	4,681
Total employee benefits expense	367,842	387,200

11. INCOME TAX

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

	Group	
	2022 US$'000	2021 US$'000 (Restated)
Continuing operations		
Current income tax:		
Current income taxation	45,696	50,236
Under provision in respect of previous years	1,003	754
	46,699	50,990
Deferred income tax:		
Origination and reversal of temporary differences	(24,276)	(3,691)
Withholding tax expenses	2,563	4,376
Income tax expense recognised in statement of profit or loss	24,986	51,675

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% (2021: 17%) to profit before income tax as a result of the following differences:

	Group	
	2022 US$'000	2021 US$'000 (Restated)
Profit before income tax from continuing operations	63,237	159,822
Share of loss/(gain) of equity accounted associate and joint ventures	193	(975)
	63,430	158,847
Income tax expense at the above rate	10,783	27,004
Effect of different tax rates in different countries	6,126	7,876
Expenses not deductible for tax purposes	13,096	16,412
Income not subject to tax	(2,325)	(1,428)
Deferred tax assets not recognised	761	1,202
Under provision in respect of previous years	1,003	754
Withholding tax	2,563	4,376
Tax incentives	(6,099)	(4,911)
Others	(922)	390
Total income tax expense	24,986	51,675
Effective tax rate	39.4%	32.5%

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 2022 US$'000	Group 2021 US$'000 (Restated)
Continuing operations		
Deficit of net book value over tax value of plant and equipment	3,605	509
Fair value of biological assets	(919)	(921)
Tax losses of subsidiaries	(23,020)	(6,846)
Provision of liability for employee benefits	(267)	2,614
Provision	(2,041)	(888)
Undistributed earnings	(646)	1,806
Allowance for impairment	(673)	(222)
Others	(315)	257
Net deferred tax credit recognised in statement of profit or loss	(24,276)	(3,691)

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

	Group 2022 US$'000	Group 2021 US$'000
Continuing operations		
Re-measurement of the net defined benefits plan (Note 28)	1,408	1,718
Derivative instruments	4,499	627

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

	Group 2022 US$'000	Group 2021 US$'000 (Restated)
Deferred tax assets/(liabilities) are as follows:		
Excess of net book value over tax value of plant and equipment	(10,335)	(7,493)
Fair value of biological assets	(371)	(1,330)
Losses of subsidiaries	34,557	13,500
Provision of liability for employee benefits	16,074	18,912
Provision	7,423	5,880
Undistributed earnings	(2,066)	(2,712)
Derivative instruments	5,202	626
Others	3,903	3,042
Total	54,387	30,425
Presented in the statement of financial position as follows:		
Deferred tax assets	58,613	36,412
Deferred tax liabilities	(4,226)	(5,987)
	54,387	30,425

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$7.7 million (2021: US$8.7 million), respectively, that are available for offset against future taxable profits of the company 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 company operate.

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

	Group	
	2022 US$'000	2021 US$'000 (Restated)
Tax losses expiring in year		
2022	–	442
2023	1,397	1,597
2024	1,268	1,656
2025	2,400	3,094
2026	1,578	1,956
2027	1,074	–
	7,717	8,745

Temporary differences on undistributed earnings:

Deferred tax liability of approximately US$34.5 million (2021: US$33.9 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.

12. EARNINGS PER SHARE

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

	Group	
	2022 US$'000	2021 US$'000
Numerator:		
Earnings attributable to equity holders:		
Continuing operations	(15,238)	14,262
Discontinued operations	23,394	104,571
Earnings attributable to equity holders for basic earnings	8,156	118,833
	Number of shares	
	'000	'000
Denominator:		
Weighted average number of equity shares	2,042,295	2,040,876
Earnings per share:		
Continuing operations (in cents)	(0.75)	0.70
Discontinued operations (in cents)	1.15	5.12
Earnings attributable to equity holders for basic earnings (cents)	0.40	5.82

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 2021	168,873	5,693	766,999	777,565	136,079	69,776	96,382	2,021,367
Additions	26,555	–	12,304	36,510	7,929	131,340	1,513	216,151
Acquisition of subsidiaries	–	–	31,137	49,646	491	2,116	–	83,390
Disposals/write-off	(49)	–	(1,361)	(5,652)	(2,231)	(44)	(4,036)	(13,373)
Reclassifications *	164	30	50,474	51,751	5,410	(115,547)	473	(7,245)
Foreign exchange adjustments	(1,941)	(79)	(10,294)	(4,214)	(1,598)	(593)	(1,003)	(19,722)
At 31 December 2021 and 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	187,610	4,853	579,420	604,927	136,477	137,642	87,021	1,737,950

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

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
Accumulated depreciation:								
At 1 January 2021	48,633	–	213,411	396,927	92,876	–	64,705	816,552
Depreciation for the year	6,547	–	38,872	70,934	15,084	–	7,687	139,124
Disposals/write-off	–	–	(595)	(3,988)	(2,096)	–	(2,697)	(9,376)
Reclassifications *	151	–	383	1	–	–	–	535
Foreign exchange adjustments	(524)	–	(2,583)	(3,013)	(1,038)	–	(766)	(7,924)
At 31 December 2021 and 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	56,308	–	200,153	346,319	104,095	–	62,981	769,856
Net book value:								
At 31 December 2021	138,795	5,644	599,771	444,745	41,254	87,048	24,400	1,341,657
At 31 December 2022	131,302	4,853	379,267	258,608	32,382	137,642	24,040	968,094

* *Included in the reclassifications are certain assets with carrying values reclassified from/to investment properties (Note 15) of US$0.1 million (2021: amounts less than US$0.1 million), right-of-use assets of US$Nil (2021: US$7.7 million) and real estate assets of US$0.9 million (2021: US$Nil) 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 2021	1,310	387	1,697
Additions	78	–	78
At 31 December 2021 and 1 January 2022	1,388	387	1,775
Additions	8	–	8
At 31 December 2022	1,396	387	1,783
Accumulated depreciation:			
At 1 January 2021	1,272	309	1,581
Depreciation for the year	18	77	95
At 31 December 2021 and 1 January 2022	1,290	386	1,676
Depreciation for the year	29	–	29
At 31 December 2022	1,319	386	1,705
Net book value:			
At 31 December 2021	98	1	99
At 31 December 2022	77	1	78

The Group's property, plant and equipment with carrying amount of US$206.9 million (2021: US$207.8 million) are pledged as security for banking facilities (Note 30A).

The Group's depreciation of property, plant and equipment amounting to US$15.7 million (2021:US$14.7 million) was capitalised in biological assets.

Leasehold land amounting to US$6.4 million (2021: US$7.5 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 and four-year cash flow projection for Myanmar and Vietnam respectively. 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 33.8% and 17.2% for the Myanmar and Vietnam-based subsidiaries respectively.

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 2021	76,319	142,177	1,864	3	3,010	223,373
Additions	30,933	43,754	33	11	1,304	76,035
Acquisition of subsidiaries	106,034	–	–	–	–	106,034
Effect of lease remeasurement	(28)	3,944	–	–	(28)	3,888
Lease termination/expired	(1,208)	(7,133)	(24)	–	(231)	(8,596)
Reclassifications	5,239	–	–	–	–	5,239
Foreign exchange adjustments	(306)	346	1	–	21	62
At 31 December 2021 and 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	40,157	235,455	2,163	13	4,407	282,195

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
Accumulated amortisation:						
At 1 January 2021	8,942	29,447	728	2	1,166	40,285
Amortisation for the year	9,405	24,682	336	2	998	35,423
Lease termination/expired	(1,222)	(4,721)	(24)	–	(169)	(6,136)
Reclassifications	(464)	–	–	–	–	(464)
Foreign exchange adjustments	25	(15)	(1)	–	7	16
At 31 December 2021 and 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	3,232	69,854	1,336	7	2,631	77,060
Net book value:						
At 31 December 2021	200,297	133,695	835	10	2,074	336,911
At 31 December 2022	36,925	165,601	827	6	1,776	205,135

The depreciation expense on right-of-use assets amounting to US$9.8 million (2021: US$5.5 million) was capitalised in biological assets.

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

Company – Buildings and site facilities	2022 US$'000	2021 US$'000
At cost:		
At 1 January	1,481	1,031
Additions	–	1,481
Lease expiry	–	(1,031)
At 31 December	1,481	1,481
Accumulated amortisation:		
At 1 January	493	991
Amortisation for the year	494	533
Lease expiry	–	(1,031)
At 31 December	987	493
Net book value:		
At 31 December	494	988

15. INVESTMENT PROPERTIES

Group	2022 US$'000	2021 US$'000
At cost:		
At 1 January	28,498	8,141
Additions	195	21,404
Disposals	(9)	(468)
Reclassifications from/(to) property, plant and equipment	97	(485)
Foreign exchange adjustments	(2,650)	(94)
At 31 December	26,131	28,498
Accumulated depreciation and impairment:		
At 1 January	2,624	3,035
Depreciation for the year	725	403
Disposals	–	(328)
Reclassifications from/(to) property, plant and equipment	17	(453)
Foreign exchange adjustments	(282)	(33)
At 31 December	3,084	2,624
Net book value:		
At 31 December	23,047	25,874

15. INVESTMENT PROPERTIES (CONT'D)

Group	2022 US$'000	2021 US$'000
Rental income	912	943
Direct operating expenses (including repair and maintenance) of investment properties that generated rental income during the year	1	1
Direct operating expenses (including repair and maintenance) of investment properties that did not generate rental income during the year	9	14

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 2022 amounted to US$35.7 million (2021: US$32.4 million).

As at 31 December 2022, 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	
	2022 US$'000	2021 US$'000
Goodwill (Note 16A)	9,880	10,891
Other intangible assets (Note 16B)	2,818	3,652
	12,698	14,543

16. INTANGIBLE ASSETS (CONT'D)

16A. Goodwill

	Group US$'000
At 1 January 2021	11,019
Foreign exchange adjustments	(128)
At 31 December 2021 and 1 January 2022	10,891
Foreign exchange adjustments	(1,011)
At 31 December 2022	9,880

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:

	2022 US$'000	2021 US$'000
Name of subsidiaries:		
PT Ciomas Adisatwa	7,068	7,792
PT Multi Makanan Permai	2,812	3,099

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:

	2022 US$'000	2021 US$'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:	9.15% to 9.85%	8.97% to 9.63%
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:

	2022		2021	
	Increase/ (decrease)	Change in recoverable amount US$'000	Increase/ (decrease)	Change in recoverable amount US$'000
PT Ciomas Adisatwa				
Discount rate	1%	(62,663)	1%	(17,966)
	(1%)	90,348	(1%)	24,203
PT Multi Makanan Permai				
Discount rate	1%	(3,057)	1%	(3,063)
	(1%)	3,231	(1%)	3,238

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 2021	744	12,123	12,867
Additions	69	1,871	1,940
Additions through business combination	–	4	4
Reclassifications	–	6	6
Foreign exchange adjustments	(9)	(52)	(61)
At 31 December 2021 and 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	729	11,305	12,034

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 2021	109	9,552	9,661
Amortisation for the year	110	1,385	1,495
Foreign exchange adjustments	(1)	(51)	(52)
At 31 December 2021 and 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	289	8,927	9,216
Net book value:			
At 31 December 2021	586	3,066	3,652
At 31 December 2022	440	2,378	2,818

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

Certain amounts of the Group's amortisation of other intangible assets were capitalised in biological assets.

17. INVESTMENTS IN SUBSIDIARIES

	Company 2022 US$'000	Company 2021 US$'000
Quoted equity shares at cost	152,750	146,886
Unquoted equity shares at cost	355,778	848,310
	508,528	995,196
Less: Allowance for impairment	(97,615)	(86,461)
Net carrying amount	410,913	908,735
Fair value of quoted equity shares	535,104	777,460

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

	Company 2022 US$'000	Company 2021 US$'000
Movements in cost during the year:		
At 1 January	995,196	1,118,760
Additions (i)	45,953	70,437
Capitalisation of other receivables to subsidiaries (ii)	48,363	–
Capital distribution by a subsidiary	–	(56,615)
Distribution of shares in a subsidiary to equity holders of the Company	(571,354)	–
Reclassification (iii)	(9,630)	–
Liquidation	–	(26,510)
Disposal	–	(110,876)
At 31 December	508,528	995,196

(i) Additions during the year pertain to additional investment in a subsidiary amounting US$40 million, purchase of shares in a subsidiary (Note 17D) and the employee benefits expense related to the performance share plan issued to the employees of the subsidiary.

(ii) During the year, 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 2022 %	Effective equity held by the Group 2021 %
Held by the Company:			
PT Japfa Comfeed Indonesia Tbk ("PT Japfa Tbk") [b] [e] [f] 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	55.0
Annona Pte Ltd ("ANN") [a] Import and export of raw materials	Singapore	100.0	100.0
Jupiter Foods Pte Ltd ("JFS") [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
AustAsia Group Ltd ("AAG") [a] Investment holding	Singapore	–	62.5

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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 2022	2021
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	55.0
Comfeed Finance B.V. [(c)] Investment	Netherlands	55.4	55.0
PT Ciomas Adisatwa [(b)] Commercial farm, chicken slaughterhouse and trading	Indonesia	55.4	55.0
PT Indojaya Agrinusa [(b)] [(d)] Animal feeds and aquafeeds manufacturing as well as poultry business	Indonesia	27.7	27.5
PT Santosa Agrindo [(c)] Cattle breeding, cattle feedlot, cattle slaughterhouse, trading and deer breeding	Indonesia	55.4	55.0
PT Jakamitra Indonesia [(b)] Industrial estate	Indonesia	55.4	55.0
PT Multi Makanan Permai [(b)] Trading	Indonesia	55.4	55.0
PT So Good Food ("SGF") [(b)] Consumer foods	Indonesia	55.4	55.0
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

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 2022	2021
Major subsidiaries held through AAG:			
Dongying AustAsia Modern Dairy Farm Co., Ltd (b) Production and sales of milk	China	–	62.5
Taian AustAsia Modern Dairy Farm Co., Ltd (b) Production and sales of milk	China	–	62.5
Dongying Xianhe AustAsia Modern Dairy Farm Co., Ltd (b) Production and sales of milk	China	–	62.5
Dongying Shenzhou AustAsia Modern Dairy Farm Co., Ltd (b) Production and sales of milk	China	–	62.5
Dongying AustAsia Beef Co., Ltd ("DYAB") (b) Beef cattle breeding, grass forage production, import and export of beef cattle and related products	China	–	62.5
AIH2 Pte Ltd ("AIH2") (a) Providing business and management consultancy services	Singapore	–	62.5
Chifeng Austasia Modern Dairy Farm Co., Ltd (b) Production and sales of milk	China	–	62.5

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

(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.

(d) 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.

(e) Listed on Jakarta stock exchange.

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

17B. Impairment of investment in a subsidiary

Investments in subsidiaries with operations in Myanmar and Vietnam with carrying amounts of US$29.8 million and 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 and four-year cash flow projection respectively. 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$11.1 million (2021: US$19.7 million) was recognised. The recoverable amounts were based on pre-tax discount rate and terminal growth rate of 33.8% and 7.8% (2021: 20.0% and 7.3%), 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.

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

17B. Impairment of investment in a subsidiary (cont'd)

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:

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

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		AustAsia Group Ltd	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Current assets	1,080,762	992,441	–	322,481
Non–current assets	940,079	955,441	–	1,054,087
Current liabilities	598,337	495,071	–	203,950
Non–current liabilities	611,765	590,285	–	386,426

Summarised statement of profit or loss and other summarised information

	PT Japfa Comfeed Indonesia Tbk		AustAsia Group Ltd	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Revenue	3,283,026	3,128,515	–	564,326
Profit for the reporting year	92,862	140,685	–	104,571
Total comprehensive income	(881)	137,356	–	121,394
Operating cash flows, increase	95,647	48,885	–	97,119
Net cash flows, (decrease)/ increase	43,087	(17,919)	–	(21,175)

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

17D. Changes in equity interests in subsidiaries in 2022

PT Japfa Comfeed Indonesia Tbk ("PT Japfa Tbk")

An interest of 0.43% in subsidiary, PT Japfa Tbk, was acquired during the year for US$5.8 million in cash. This increased the equity interest from 55.00% to 55.43%. Changes in the ownership interest in a subsidiary that do not result in change in control are accounted for as transactions with owners in their capacity as owners (as equity transactions). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent. Following the transaction, a loss of US$2.4 million was recorded in capital reserve.

17E. 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 and 31 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.

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17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

17E. Discontinued operations (cont'd)

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 and with comparative for full year ended 31 December 2021.

	2022 US$'000	2021 US$'000
Financial information		
Revenue	563,443	521,921
Expenses	(486,489)	(409,183)
Profit from operation	76,954	112,738
Finance income	488	611
Finance cost	(32,527)	(21,635)
Other income	3,415	10,251
Foreign exchange adjustments	(3,273)	(3,235)
Changes in fair value of biological assets	(19,614)	8,275
Profit before tax from Discontinued Operations	25,443	107,005
Tax expense	(2,049)	(2,434)
Profit after tax from Discontinued Operations	23,394	104,571
Cash flow information		
Operating cash flow	160,750	114,794
Investing cash flow	(167,293)	(223,643)
Financing cash flow	44,539	87,556
Net cash inflows/(outflows)	37,996	(21,293)

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

17E. 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	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Unquoted equity shares, at cost				
Interest in associate	25,472	28,098	28,000	28,000
Interest in joint ventures	10,192	6,270	–	–
	35,664	34,368	28,000	28,000

The joint ventures are not considered material to the Group.

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 2022 %	Effective equity held by the Group 2021 %
(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)]	Indonesia	22	–
PT Tira Cipta Transportasi[(d)]	Indonesia	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.
(d) Newly incorporated company and has yet to appoint auditors.

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:

	2022 US$'000	2021 US$'000
Summarised statement of profit or loss		
Revenue	122,289	127,802
(Loss)/profit for the year	(7,175)	1,985
Total comprehensive (loss)/income	(11,473)	344
Depreciation and amortisation	(9,313)	(8,843)
Interest income	254	28
Interest expense	(6,105)	(5,260)
Income tax credit/(expense)	78	(1,843)
Summarised statement of financial position		
Current assets	55,796	69,205
Includes:		
Cash and cash equivalents	9,215	7,078
Non-current assets	319,974	319,965
Includes:		
Goodwill	205,387	205,387
Current liabilities	(31,956)	(39,983)
Non-current liabilities	(62,601)	(55,842)
Includes:		
Non-current financial liabilities	(58,118)	(50,341)
Reconciliation:		
Net assets of the associate excluding goodwill	75,826	88,958
Group's share of net assets of the associate	15,166	17,792
Goodwill	10,306	10,306
Carrying amount of the interest in the associate	25,472	28,098

18. INVESTMENTS IN ASSOCIATE AND JOINT VENTURES (CONT'D)

As of 31 December 2022, and 31 December 2021, 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:

	2022 US$'000	2021 US$'000
Summarised statement of profit or loss		
Revenue	23,967	19,692
Profit for the year	1,794	1,262
Total comprehensive income	1,826	1,252
Depreciation and amortisation	(899)	(832)
Interest income	90	43
Interest expense	(448)	(483)
Income tax expense	(406)	(304)
Summarised statement of financial position		
Current assets	19,118	14,362
Includes:		
Cash and cash equivalents	5,389	8,994
Non-current assets	15,349	11,222
Current liabilities	(3,978)	(3,649)
Non-current liabilities	(7,498)	(8,600)
Reconciliation:		
Net assets of the joint ventures	22,991	13,335
Group's share of net assets of the joint ventures	9,898	5,955
Goodwill	294	315
Carrying amount of the interest in the joint ventures	10,192	6,270

19. BIOLOGICAL ASSETS

	Group 2022 US$'000	Group 2021 US$'000
Breeding chickens	111,196	108,558
Breeding ducks	601	281
Breeding cattle	2,155	3,799
Breeding swine	63,703	53,013
Dairy cows	–	455,006
Forage and plantation	169	180
	177,824	620,837
Fattening livestock	205,208	253,341
	383,032	874,178
Presented as:		
Biological assets, current	136,979	108,839
Biological assets, non-current	40,845	511,998
Biological assets presented as Inventories (Note 24)	205,208	253,341
	383,032	874,178

Movement in biological assets:

	Group 2022 US$'000	Group 2021 US$'000
At 1 January	874,178	705,167
Additions through business combination	221	26,433
Net additions	152,817	129,702
Changes in fair value		
– Continuing operations	(4,736)	(2,893)
– Discontinued operations	(30,206)	(10,459)
Fair value gain arising from sales of beef	10,592	18,733
Deconsolidation of AAG Group	(550,004)	–
Foreign exchange adjustments	(69,830)	7,495
At 31 December	383,032	874,178

The Group's biological assets with carrying amount of US$76.4 million (2021: US$220.1 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	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Non-current:				
Other receivables:				
Third parties	965	1,139	–	–
Investee company	–	16,755	–	–
Less: Allowance for impairment	–	(4,900)	–	–
	965	12,994	–	–
Current:				
Trade receivables:				
Third parties	174,829	226,869	–	–
Associate	787	3,200	–	–
Joint venture	770	1,072	–	–
Related party	17,052	1,925	–	–
Less: Allowance for impairment	(11,921)	(10,133)	–	–
	181,517	222,933	–	–
Other receivables:				
Third parties	7,638	8,946	25	22
Associate	6	26	–	–
Related party	1,646	–	1,266	–
Subsidiaries	–	–	3,820	40,850
	9,290	8,972	5,111	40,872
Total trade and other receivables, current	190,807	231,905	5,111	40,872
Total trade and other receivables	191,772	244,899	5,111	40,872
Add: Cash at banks (Note 25)	280,695	320,566	76,816	137,860
Add: Deposits to secure services (Note 23)	7,002	9,967	381	1,083
Total financial assets carried at amortised cost	479,469	575,432	82,308	179,815

21. TRADE AND OTHER RECEIVABLES (CONT'D)

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.

In 2021, other receivables due from an investee company is an unsecured loan, bearing interest ranging from 1.85% to 3.75% per annum and were repayable upon demand. These amounts are to be settled in cash. Management had recognised US$4.9 million in allowance for ECL for the loan due from the investee company. The amount was deconsolidated upon the distribution in AAG group.

Other receivables from subsidiaries, related party and associate are unsecured. During the year, the other receivables from subsidiaries amounting to US$48,363,000 were capitalised as the investment in the subsidiaries (Note 17). Other receivables from subsidiaries of US$1.6 million (2021: US$39.0 million) bear interest ranging from 3.00% to 7.77% (2021: 3.00% to 4.65%) 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$27.6 million (2021: US$51.3 million) are pledged as security for banking facilities (Note 30A).

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	
	2022 US$'000	2021 US$'000
At 1 January	10,133	9,626
Charged to statement of profit or loss	7,583	1,727
Deconsolidation of AAG Group	(30)	–
Bad debts written-off	(4,429)	(1,113)
Foreign exchange adjustments	(1,336)	(107)
At 31 December	11,921	10,133

Summarised below is the information about the credit risk exposure on the Group's trade receivables grouped by age past due:

	2022		2021	
Group	Gross carrying amount US$'000	Loss allowance provision US$'000	Gross carrying amount US$'000	Loss allowance provision US$'000
Not past due	134,320	–	144,375	–
Less than 60 days	28,535	11	31,147	15
61 to 90 days	1,995	6	9,794	11
91 to 120 days	1,472	34	9,133	56
Over 120 days	27,116	11,870	38,617	10,051
Total	193,438	11,921	233,066	10,133

22. OTHER FINANCIAL ASSETS AND OTHER FINANCIAL LIABILITIES

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Investment in shares (Note 22A)	16,218	7,796	12,034	2,404
Derivative financial instruments (Note 22B)	11,135	11,607	–	–
	27,353	19,403	12,034	2,404
Presented as:				
Other financial assets, current	12,219	2,552	12,034	2,404
Other financial assets, non-current	15,408	18,252	–	–
Other financial liabilities, current	(274)	(152)	–	–
Other financial liabilities, non-current	–	(1,249)	–	–
	27,353	19,403	12,034	2,404

22A. Investment in shares

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Quoted equity shares, at fair value	9,630	–	9,630	–
Unquoted equity shares, at fair value	6,588	7,796	2,404	2,404
	16,218	7,796	12,034	2,404

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 of AAG 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	
	2022 US$'000	2021 US$'000
Foreign currency forward and option contracts	11,135	11,607

22. OTHER FINANCIAL ASSETS AND OTHER FINANCIAL LIABILITIES (CONT'D)

22B. Derivative financial instruments (cont'd)

Group	2022 Notional amount US$'000	2022 Assets US$'000	2021 Notional amount US$'000	2021 Assets US$'000
Foreign currency forward and option contracts	423,610	11,135	370,785	11,607

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.

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 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
As at 31 December 2021			
Foreign currency forward contracts			
Notional amount (in US$'000)	20,785	–	20,785
Average forward rate (IDR/USD)	14,388	–	14,388
Foreign currency option contracts			
Notional amount (in US$'000)	–	350,000	350,000
Average forward rate (IDR/USD)	–	14,269	14,269

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 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	
As at 31 December 2021				
Foreign currency forward contracts	20,785	(152)	(152)	Other financial liabilities, current
Foreign currency forward contracts	100,000	(1,249)	(1,249)	Other financial liabilities, non-current
Foreign currency option contracts	250,000	13,008	13,008	Other financial assets, non-current
	370,785	11,607	11,607	

23. OTHER ASSETS

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Non-current:				
Deposits to secure services	5,572	8,159	–	–
Deferred charges	9,628	4,996	–	–
Advances*	18,352	16,881	–	–
Tax recoverable	4,272	13,587	–	–
	37,824	43,623	–	–
Current:				
Deposits to secure services	1,430	1,808	381	1,083
Advances*	19,931	45,061	4	4
Prepayments	16,099	24,853	534	1,540
	37,460	71,722	919	2,627

* *Advances are mainly advances for purchase of property, plant and equipment amounting US$25.9 million (2021: US$27.2 million) and advances to suppliers of US$7.2 million (2021: US$21.8 million).*

24. INVENTORIES

	Group	
	2022 US$'000	2021 US$'000
Finished goods	96,799	99,580
Work in process	8,744	8,007
Raw materials	583,575	705,380
Consumables	54,597	54,531
	743,715	867,498
Biological assets presented under inventories (Note 19)	205,208	253,341
	948,923	1,120,839

The cost of inventories recognised as an expense in cost of sales were US$3.8 billion (2021: US$3.5 billion). This includes an inventory write down of US$2.3 million in 2022 (2021: US$0.5 million).

The Group's inventories with carrying amount of US$88.3 million (2021: US$154.4 million) are pledged as security for banking facilities (Note 30A).

25. CASH AT BANKS

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Cash and bank balances	235,186	281,098	76,816	137,860
Short term bank deposits	45,195	37,039	–	–
Cash pledged for bank facilities	314	2,429	–	–
	280,695	320,566	76,816	137,860

The short-term bank deposits bear interest ranging from 4.0% to 10.2% (2021: 0.3% to 5.1%) per annum.

25A. Cash and cash equivalents in the consolidated statement of cash flows

	Group	
	2022 US$'000	2021 US$'000
Amount as shown above	280,695	320,566
Cash pledged for bank facilities (Note 30A)	(314)	(2,429)
Cash and cash equivalents in consolidated statement of cash flows	280,381	318,137

25B. Non–cash transactions

The net cash incurred for the purchase of property, plant and equipment is as follows:

	Group	
	2022 US$'000	2021 US$'000
Additions of property, plant and equipment (Note 13)	322,644	216,151
Add/(less) net movements in liability for purchase/ construction of plant and equipment (Note 29)	9,865	(543)
Purchase of property, plant and equipment in consolidated statement of cash flows	332,509	215,608

26. SHARE CAPITAL AND TREASURY SHARES

26A. Share capital

	Group and Company			
	2022		2021	
	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	1,059,882	2,067,423,320	1,059,882
Capital reduction	–	(580,984)	–	–
At 31 December	2,067,423,320	478,898	2,067,423,320	1,059,882

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.

During the year, the Company undertook a capital reduction exercise to distribute the shares in AAG to shareholders of the Company.

There is no change in the number of shares issued by the Company immediately after the capital reduction exercise.

26B. Treasury shares

	Group and Company			
	2022		2021	
	Number of shares	Amount US$'000	Number of shares	Amount US$'000
At 1 January	26,622,800	14,125	41,338,600	22,886
Acquired during the year	6,746,400	2,666	6,419,800	2,950
Reissue of shares under Performance Share Plan (Note 27E)	(5,781,400)	(3,067)	(21,135,600)	(11,711)
At 31 December	27,587,800	13,724	26,622,800	14,125

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

The Company acquired 6,746,000 (2021: 6,419,800) shares in the Company through purchases on the Singapore Exchange during the year. The total amount paid to acquire the shares was US$2.6 million (2021: US$2.9 million) and this was presented as a component within shareholders' equity.

27. OTHER RESERVES AND TRANSLATION RESERVE

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
General reserve (Note 27A)	18,994	18,994	–	–
Statutory reserve (Note 27B)	–	71,943	–	–
Capital reserve (Note 27C)	(5,589)	(245,030)	(7,648)	(7,648)
Share appreciation reserve (Note 27D)	–	809	–	–
Japfa Performance share plan reserve (Note 27E)	1,227	14,060	1,227	2,561
Fair value reserve (Note 27F)	666	(5,896)	–	–
Equity reserve (Note 27G)	(11,873)	(10,995)	(11,873)	(10,995)
Cash flow hedge reserve (Note 27H)	(12,722)	(1,561)	–	–
Other reserves	(9,297)	(157,676)	(18,294)	(16,082)
Translation reserve (Note 27I)	(248,664)	(170,381)	–	–
Total	(257,961)	(328,057)	(18,294)	(16,082)

27A. General reserve

The general reserve relates mainly to revaluation surplus attributed to the initial interest held in PT Japfa Tbk.

27B. Statutory reserve

	Group	
	2022 US$'000	2021 US$'000
At 1 January	71,943	54,374
Transfer from retained earnings	–	17,569
Deconsolidation of AAG Group	(71,943)	–
At 31 December	–	71,943

In accordance with the Foreign Enterprise Law applicable to the subsidiaries in the People's Republic of China ("PRC"), the subsidiaries are required to make appropriation to a statutory reserve. At least 10% of the statutory profits after tax as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to a statutory reserve until the cumulative total of the statutory reserve reaches 50% of the subsidiaries' registered capital. Subject to approval from the relevant PRC authorities, the statutory reserve may be used to offset any accumulated losses or increase the registered capital of the subsidiaries. The statutory reserve is not available for dividend distribution to shareholders.

27. OTHER RESERVES AND TRANSLATION RESERVE (CONT'D)

27C. Capital reserve

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
At 1 January	(245,030)	(290,253)	(7,648)	(7,648)
Reserve arising from changes in non-controlling interests without change in control	–	49,455	–	–
Acquisition of non-controlling interest without change in control	(2,384)	(4,232)	–	–
Deconsolidation of AAG Group	241,825	–	–	–
At 31 December	(5,589)	(245,030)	(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.

27D. Share appreciation reserve

Share Appreciation Plan

In 2020, the plan committee ("AAG Plan Committee") of AustAsia Group Ltd, a former subsidiary of the Company, modified the terms of AAG's outstanding awards, including a conditional right for holders of these awards to opt for cash settlement exercisable over a certain period. Settlement will be in AIH shares in the event AIH successfully completes an Initial Public Offering ("IPO") by the date of settlement.

The cash settlement component is valued at modification date with the cumulative amount credited to liability and debited to share appreciation reserve. The liability component is fair valued at each balance sheet date and recognised as share appreciation liabilities in Note 29.

Following the distribution of AAG shares to the Company's shareholders on 30 December 2022, AAG, formerly a subsidiary of the Company, ceased to be a subsidiary of the Company on 30 December 2022. Accordingly, the share appreciation reserve has been derecognised upon the deconsolidation of the subsidiary.

27. Other reserves and Translation reserve (cont'd)

27E. Performance share plan reserve

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Japfa Performance Share Plan reserve	1,227	2,561	1,227	2,561
AAG Performance Share Plan reserve	–	11,499	–	–
	1,227	14,060	1,227	2,561

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)

27E. Performance share plan reserve (cont'd)

Conditional share awards granted under Japfa Ltd PSP on 29 February 2020, 28 February 2021 and 1 March 2022

On 29 February 2020, pursuant to Japfa Ltd PSP, the Company granted a share award of 4,362,500 shares, subject to certain conditions being met, to the executive directors and employees of the Group.

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.

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 10 June 2022, the Company announced that the performance conditions of the share award granted on 29 February 2020 have been achieved and the number of shares awarded has been adjusted by increase of 1,418,900 based on the achievement factor of the performance conditions. A total number of 5,781,400 shares has been issued to the executive directors and employees of the Group.

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.

On 1 March 2023, the Company announced that the number of conditional share awards granted on 1 March 2022 under Japfa Ltd PSP (previously announced on 1 March 2022) had been reduced from 7,900,000 ordinary shares to 6,223,900 ordinary shares.

Outstanding number and movements during the year

The following table illustrates the outstanding number of, and movements during the year:

	2022 Number	2021 Number
Outstanding at 1 January	6,452,400	22,401,700
Adjustment during year	1,418,900	3,096,400
Granted during the year	6,223,900	2,089,900
Vested during the year	(5,781,400)	(21,135,600)
Outstanding at 31 December	8,313,800	6,452,400

The expense recognised for employee services received during the year pursuant to Japfa Ltd PSP plan is US$855,000 (2021: US$4,681,000).

AAG Performance Share Plan

In 2020, AAG implemented "the AAG Performance Share Plan" (the "AAG PSP"). The purpose of AAG PSP is to, inter alia, foster an ownership culture within the AAG which aligns the interests of executives and employees of the AAG with the interests of its shareholders and to motivate participants in the AAG PSP to achieve key financial and operational goals of AIH and/or its respective business units.

Following the distribution of AAG shares to the Company's shareholders on 30 December 2022, AAG, formerly a subsidiary of the Company, ceased to be a subsidiary of the Company on 30 December 2022. Accordingly, the AAG performance share plan reserve has been derecognised upon the deconsolidation of the subsidiary.

27. OTHER RESERVES AND TRANSLATION RESERVE (CONT'D)

27F. Fair value reserve

	Group	
	2022 US$'000	2021 US$'000
At 1 January	(5,896)	(6,107)
Changes in fair value recognised in other comprehensive income	254	211
Deconsolidation of AAG Group	6,308	–
At 31 December	666	(5,896)

Fair value reserve represents the present value changes recognised for the Group's equity investment for which the Group has elected to present the value changes in other comprehensive income.

27G. Equity reserve

The equity reserve relates mainly to difference in value arising from issuance of shares by the Company under performance share plan.

27H. Cash flow hedge reserve

	Group	
	2022 US$'000	2021 US$'000
At 1 January	(1,561)	36
Effective portion of changes in fair value arising from:		
Foreign currency option contracts	(11,530)	(1,510)
Amount classified to consolidated statement of profit or loss	–	(87)
Deconsolidation of AAG Group	369	–
At 31 December	(12,722)	(1,561)

27I. Translation reserve

	Group	
	2022 US$'000	2021 US$'000
At 1 January	(170,381)	(167,666)
Exchange differences on translating foreign operations	(106,377)	(2,416)
Share of changes in translation reserve of equity-accounted investees	(1,920)	(299)
Deconsolidation of AAG Group	30,014	–
At 31 December	(248,664)	(170,381)

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	
	2022 US$'000	2021 US$'000
Present value of unfunded defined benefit	89,535	105,563
Fair value of plan assets	(14,326)	(16,920)
Defined benefit plan liabilities	75,209	88,643

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 2022 and 2021 were as follows:

	2022	2021
Discount rate	7.20%	7.15% - 7.45%
Salary increment rate	6.50%	7.00%
Retirement age	56 – 60 years old	56 – 60 years old
Expected rate of 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	
	2022 US$'000	2021 US$'000
At 1 January	88,643	120,946
Net benefit expense recognised in statement of profit or loss under administrative expenses (Note 10)	6,868	15,806
Adjustment to past service cost due to plan amendment and curtailment effect recognised in statement of profit or loss under other gains, net (Note 6)	–	(26,543)
Re-measurement gain included in other comprehensive income	(6,955)	(9,032)
Contributions to plan made	(4,479)	(10,105)
Payments for the year	(671)	(938)
Foreign exchange adjustments	(8,197)	(1,491)
At 31 December	75,209	88,643

28. DEFINED BENEFIT PLAN LIABILITIES (CONT'D)

Net benefit expense recognised in statement of profit or loss under administrative expenses is as follows:

	Group	
	2022 US$'000	2021 US$'000
Service costs	7,712	8,450
Adjustment to past service cost due to plan amendment and curtailment effect recognised in statement of profit or loss under other gains, net (Note 6)	–	(26,543)
Interest cost	5,102	6,921
Adjustment due to changes in attribution method	(5,946)	435
	6,868	(10,737)

Re-measurement loss included in other comprehensive income is as follows:

	Group	
	2022 US$'000	2021 US$'000
Re-measurement gain as above	(6,955)	(9,032)
Income tax effect	1,408	1,718
Re-measurement of the net defined benefits plan, net of tax	(5,547)	(7,314)

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

	Group	
	2022 US$'000	2021 US$'000
At 1 January	16,920	15,863
Interest income	1,069	1,101
Return on plan assets (excluding amounts included in net interest expense)	(631)	(570)
Contributions from the employer	4,479	10,105
Benefits paid	(5,880)	(9,398)
Foreign exchange adjustments	(1,631)	(181)
At 31 December	14,326	16,920

28. DEFINED BENEFIT PLAN LIABILITIES (CONT'D)

The fair values of each major class of plan assets are as follows:

	Group 2022 US$'000	Group 2021 US$'000
Investment with fund manager in money market instruments	13,599	16,339
Investment with insurer	727	581
Total	14,326	16,920

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:

Group	2022 Increase/ (decrease)	2022 Change in present value of defined benefit plan liabilities US$'000	2021 Increase/ (decrease)	2021 Change in present value of defined benefit plan liabilities US$'000
Discount rate	1%	(5,067)	1%	(7,481)
	(1%)	6,253	(1%)	8,890
Salary increase rate	1%	6,529	1%	8,729
	(1%)	(5,407)	(1%)	(7,531)

29. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Trade payables:				
Third parties	193,078	229,381	42	1
Associate entity	107	8	–	–
Joint venture entity	334	–	–	–
	193,519	229,389	42	1
Other payables:				
Third parties and accrued expenses	106,248	148,634	1,566	6,589
Subsidiary	–	–	2,832	–
Share appreciation liabilities (Note 27D)	–	1,856	–	–
AAG performance share plan liabilities (Note 27E)	–	2,731	–	–
Payable for purchase/ construction of plant and equipment	252	36,142	–	–
	106,500	189,363	4,398	6,589
Total	300,019	418,752	4,440	6,590
Presented as:				
Trade and other payables, current	299,596	403,143	4,440	6,270
Trade and other payables, non-current	423	15,609	–	320
	300,019	418,752	4,440	6,590
Trade and other payables, as above	300,019	418,752	4,440	6,590
– Loans and borrowings (Note 30)	1,274,572	1,308,896	–	–
– Lease liabilities (Note 31)	168,638	287,650	532	1,012
Total financial liabilities carried at amortised cost	1,743,229	2,015,298	4,972	7,602

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 are unsecured, non-interest bearing and repayable on demand.

30. LOANS AND BORROWINGS

	Group 2022 US$'000	2021 US$'000
Non-current:		
Floating interest rate financial instruments:		
Bank loans (Note 30A)	275,713	394,547
Fixed interest rate financial instruments:		
Bonds payable (Note 30B)	341,272	340,562
Non-current, total	616,985	735,109
Current:		
Floating interest rate financial instruments:		
Bank loans (Note 30A)	655,948	497,757
Fixed interest rate financial instruments:		
Bank loans (Note 30A)	1,639	5,985
Bonds payable (Note 30B)	–	70,045
Current, total	657,587	573,787
Total	1,274,572	1,308,896
Range of floating interest rates per annum:	%	%
Bank loans	1.70 – 11.50	1.70 – 9.40
Range of fixed interest rates per annum:		
Bank loans	9.00	3.80 – 9.00
Bonds payable	5.38	5.38 – 9.60

30A. Bank loans

The bank loans are secured by property, plant and equipment, share certificates of certain subsidiaries, cash and cash equivalents, trade receivables, inventories, biological assets, assessment of insurance policies and covered corporate guarantees of the Company and its subsidiaries.

The loans are for working capital purposes and repayment of restructured debts. 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$931.7 million (2021: US$892.3 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 2022 US$'000	Group 2021 US$'000
Bonds payable A	–	70,082
Bonds payable B	350,000	350,000
Less: Bonds bought back	(2,000)	–
Less: Unamortised transaction costs	(6,728)	(9,475)
	341,272	410,607

Effective interest rates per annum:

	%	%
Bonds payable A	–	9.77
Bonds payable B	5.49	5.49

The fair values of bonds payables are as follows:

	Level	Group 2022 US$'000	Group 2021 US$'000
Bonds payable A	1	–	70,045
Bonds payable B	1	341,272	340,562
Fair value at end of the reporting year		341,272	410,607

Bonds payable A

In April 2017, PT Japfa Tbk, a subsidiary, issued bonds denominated in Indonesia Rupiah ("IDR") with a nominal value of IDR1 trillion. The bonds have terms of 5 years until 21 April 2022. Interest rate is fixed at 9.6% per annum payable quarterly. The subsidiary has an option to redeem the bonds partially or in full, after a year from the issuance date. The nominal value of IDR1 trillion bond has been fully repaid in April 2022.

Bonds payable B

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

During the year, PT Japfa Tbk, a subsidiary, bought back Bonds payable B with principal amount of US$2 million (2021: US$ Nil).

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
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
2021						
Bank loans	672,071	228,533	2,492	–	(4,807)	898,289
Bonds payable	329,041	78,804	3,891	–	(1,129)	410,607
Total	1,001,112	307,337	6,383	–	(5,936)	1,308,896

31. LEASE LIABILITIES

	Group 2022 US$'000	Group 2021 US$'000	Company 2022 US$'000	Company 2021 US$'000
Present value:				
Amounts due for settlement within 12 months	20,542	24,390	503	483
Amounts due for settlement after 12 months	148,096	263,260	29	529
	168,638	287,650	532	1,012
Maturity analysis (gross amount):				
Not later than 1 year	35,945	41,703	511	509
Later than 1 year and not later than 5 years	109,584	134,456	29	538
Later than 5 years	144,725	312,671	–	–
	290,254	488,830	540	1,047

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:

	2022 US$'000	2021 US$'000
Expenses relating to short-term leases	11,394	14,183
Expenses relating to leases of low value assets	1,194	1,026
Expenses relating to variable lease contracts	1,294	1,143

At 31 December 2022, the Group is committed to US$0.5 million (2021: US$1.2 million) for short-term leases.

The Group has several lease contracts that include extension options which are expected not to be exercised amounted to US$10.6 million (2021: US$13.1 million).

A reconciliation of liabilities arising from financing activities is as follows:

	Group	
	2022 US$'000	2021 US$'000
At 1 January	287,650	163,017
Additions	139,029	75,967
Effect of lease remeasurement	(8,960)	4,582
Lease termination/expired	(769)	(2,215)
Acquisition of subsidiaries	–	95,541
Interest charge	25,459	16,566
Payments	(63,326)	(67,275)
Deconsolidation of AAG Group	(191,041)	–
Foreign exchange movement	(19,404)	1,467
At 31 December	168,638	287,650

32. OTHER LIABILITIES

	Group 2022 US$'000	Group 2021 US$'000
Advances received	11,878	15,906
Deferred government grants*	352	5,453
Others	493	536
	12,723	21,895
Presented as:		
Other liabilities, current	11,916	17,542
Other liabilities, non-current	807	4,353
	12,723	21,895

* 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 2022 US$'000	Group 2021 US$'000
Revenue	45,663	32,189
Purchases of goods	7,608	5,900
Insurance expense	2,907	1,881
Rendering of service expense	2,528	2,534
Rental income	911	885
Interest income	1,551	32
Rental of premises	2,184	312
Technical service fee income	466	62

Related parties

The related parties are either the associate, joint ventures entities or companies associated with the late Executive Deputy Chairman, Mr Handojo Santosa @ Kang Kiem Han, the Non-Executive Director, Mr Hendrick Kolonas, and the controlling shareholders of the Company.

33. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONT'D)

33B. Compensation of key management personnel of the Group

	Group	
	2022 US$'000	2021 US$'000
Salaries and other short-term employee benefits	13,654	27,815
Central Provident Fund contributions	129	95
Share-based payments: Performance share plan	700	4,241
	14,483	32,151
Comprise amounts paid to:		
Directors of the Company	8,495	21,125
Other key management personnel	5,988	11,026
	14,483	32,151

Directors' interests in performance share plan

Please see Note 27E for the disclosure of shares granted to the Company's executive directors under the Japfa Ltd PSP.

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	
	2022 US$'000	2021 US$'000
Construction costs	29,968	43,615
Purchase of property, plant and equipment	31,828	26,483

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
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

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
2021				
Assets/(liabilities) measured at fair value				
Financial assets/(liabilities):				
Equity securities at FVOCI (Note 22A)				
Unquoted equity securities	–	816	6,980	7,796
Derivatives (Note 22B)				
Foreign currency forward and option contracts	–	11,607	–	11,607
Financial assets as at 31 December 2021	–	12,423	6,980	19,403
Non-financial assets:				
Biological assets (Note 19)	–	–	874,178	874,178
Non-financial assets as at 31 December 2021	–	–	874,178	874,178

(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 2022 US$'000	Fair value 2021 US$'000	Valuation techniques	Significant unobservable inputs	Range 2022	Range 2021
Productive breeding cattle	2,155	1,955	Market comparable approach	Market-transacted prices determined based on price per head and their weight	US$1,705 to US$2,457 per head	US$1,528 to US$2,479 per head
Productive breeding swine	63,703	34,035	Market comparable approach	Market-transacted prices determined based on price per head and their weight	US$361 to US$4,779 per head	US$364 to US$3,190 per head
Biological assets – Heifers and calves and beef in China	–	182,247	Market transactions	Market selling price	–	US$1,326 to US$3,419 per head
Breeding chickens and fattening livestock	316,404	316,838	Replacement cost approach	Feed cost	–	–
Milkable cows	–	344,664	Income approach	Culling rate	–	10% to 100% depending on lactation period

In financial year 2021, the Group's biological assets, namely heifers and milkable cows, were independently valued by Jones Lang LaSalle Sallmanns Limited ("JLL"), firms of independent qualified professional valuers, who have appropriate qualifications and recent experiences in valuation of biological assets.

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)

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.

Biological assets

Productive breeding cattle, productive breeding swine, and heifers and calves and beef in China:

The fair value less costs to sell the productive breeding swine and cattle and heifers and calves 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 cattle, productive breeding swine and heifers and calves.

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.

Milkable cows:

Due to the fact that the market–determined prices of milkable cows are not available, JLL has applied the discounted cash flow approach to calculate the fair value less costs to sell of these items.

A significant increase or decrease in the culling rate based on management's assumptions would result in a significantly lower or higher fair value measurement.

35. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(d) Level 3 fair value measurements (cont'd)

(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:	
2022	
Continuing and discontinued operations	
Changes in fair value of biological assets	(34,942)
2021	
Continuing and discontinued operations	
Changes in fair value of biological assets	(13,352)

(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.

(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
2022				
Assets for which fair values are disclosed (Note 15)				
Investment properties	–	35,776	–	35,776
2021				
Assets for which fair values are disclosed (Note 15)				
Investment properties	–	32,400	–	32,400

35. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(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.

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 17E, the results of AAG and its subsidiaries ("AAG Group") are reported in the current period as Discontinued Operations.

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 significant accounting policies.

36. SEGMENT INFORMATION (CONT'D)

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.

Revenue by segment

	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)

Revenue by segment (cont'd)

	Animal Protein – PT Japfa Tbk US$'000	Animal Protein – Other US$'000	Sub-total US$'000	Others US$'000	Group US$'000
2021					
Continuing operations					
External revenue	3,123,856	938,211	4,062,067	29,715	4,091,782
Inter-segment revenue	4,659	1,358	6,017	(6,017)	–
Total revenue	3,128,515	939,569	4,068,084	23,698	4,091,782
Operating profit/(loss)	217,922	(601)	217,321	1,462	218,783
Interest income	986	1,805	2,791	1,519	4,310
Finance costs	(56,229)	(16,310)	(72,539)	(3,987)	(76,526)
Foreign exchange adjustments gain/(loss)	3,327	(6,668)	(3,341)	(4,987)	(8,328)
Changes in fair value of biological assets	2,316	(5,210)	(2,894)	–	(2,894)
Share of results of associate and joint ventures	579	–	579	396	975
Others	17,999	1,075	19,074	4,428	23,502
Profit/(Loss) before tax from continuing operations	186,900	(25,909)	160,991	(1,169)	159,822
Income tax expense	(46,215)	731	(45,484)	(6,191)	(51,675)
Profit/(Loss) for the year from continuing operations, net of tax	140,685	(25,178)	115,507	(7,360)	108,147
Discontinued operations					
Profit after tax from discontinued operations					104,571
Profit for the year, net of tax					212,718

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
2022					
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
2021					
Continuing operations					
Segment assets	1,895,824	769,777	2,665,601	168,005	2,833,606
Unallocated assets	45,422	11,587	63,279	28,760	92,039
	1,947,516	781,364	2,728,880	196,765	2,925,645
Discontinued operations					
Segment assets from discontinued operations					1,376,568
Total assets					4,302,213

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
2022					
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
2021					
Continuing operations					
Segment liabilities	1,067,846	529,366	1,597,212	(58,454)	1,538,758
Unallocated liabilities	17,144	5,284	22,428	4,199	26,627
	1,084,990	534,650	1,619,640	(54,255)	1,565,385
Discontinued operations					
Segment liabilities from discontinued operations					590,376
Total liabilities					2,155,761

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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
2022					
Continuing operations	127,575	142,309	269,884	14	269,898
Discontinued operations					193,717
Total capital expenditures					**463,615**
2021					
Continuing operations	140,952	94,684	235,636	1,570	237,206
Discontinued operations					78,321
Total capital expenditures					**315,527**

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
2022					
Continuing operations	78,000	37,932	115,932	540	116,472
Discontinued operations					25,173
Total depreciation and amortisation					141,645
2021					
Continuing operations	99,189	34,560	133,749	645	134,394
Discontinued operations					21,858
Total depreciation and amortisation					156,252

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:

Group	Revenue 2022 US$'000	Revenue 2021 US$'000	Non-current assets 2022 US$'000	Non-current assets 2021 US$'000
Continuing operations				
Indonesia	3,238,962	3,090,779	879,917	922,048
Vietnam	791,799	699,347	424,662	332,987
India	146,941	150,318	25,791	23,807
Myanmar	88,576	79,487	32,755	43,144
Others	97,522	71,851	39,037	45,976
	4,363,800	4,091,782	1,402,162	1,367,962
Discontinued operations				
China			–	1,041,416
			1,402,162	2,409,378

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 2022 and 2021.

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	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Financial liabilities:				
Fixed rates	511,801	700,934	531	1,011
Floating rates	931,661	889,316	–	–
	1,443,462	1,590,250	531	1,011
Financial assets:				
Fixed rates	42,736	35,274	–	1,500
Floating rates	2,460	1,765	–	37,540
	45,196	37,039	–	39,040

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	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
A hypothetical increase in interest rates by 100 basis points would decrease profit before tax by	(9,292)	(8,876)	–	375

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, China, 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, China, Vietnam, India and Myanmar are Indonesia Rupiah ("IDR"), Chinese Renminbi ("RMB"), 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 2022, 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 2022 and 31 December 2021 would have been US$30.5 million and US$21.9 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	
	2022 US$'000	2021 US$'000
Top 1 customer	5,337	5,539
Top 2 customers	9,576	10,910
Top 3 customers	13,420	17,436

<u>Financial assets that are either past due or impaired</u>

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
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
2021				
Gross borrowing commitments	596,660	789,816	10,532	1,397,008
Gross lease commitments	41,703	134,456	312,671	488,830
Trade and other payables	403,143	15,609	–	418,752
	1,041,506	939,881	323,203	2,304,590

Company	Less than 1 year US$'000	2 – 5 years US$'000	Total US$'000
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
2021			
Gross lease commitments	509	538	1,047
Trade and other payables	6,270	320	6,590
Financial guarantee contracts – in favour of subsidiaries	316,473	–	316,473
	323,252	858	324,110

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):

Group	Less than 1 year 2022 US$'000	2021 US$'000
Foreign currency forward and option contracts	11,135	11,607

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.

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	
	2022 US$'000	2021 US$'000
Net debt:		
All current and non–current loans and borrowings	1,443,210	1,596,546
Less: Cash at banks	(280,695)	(320,566)
Net debt	1,162,515	1,275,980
Total equity	1,215,266	2,146,452
Debt-to-adjusted capital ratio	1.0 time	0.6 times

38. DIVIDENDS

	Group	
	2022 US$'000	2021 US$'000
Dividends paid during the year		
Dividends on ordinary shares:		
Interim special (1-tier) dividend of 10.0 Singapore cents per share paid for year ended 31 December 2020	–	150,851
Final tax exempt (1-tier) dividend of 1.0 Singapore cents per share paid for year ended 31 December 2020	–	15,329
Final tax exempt (1-tier) dividend of 1.5 Singapore cents per share paid for year ended 31 December 2021	21,946	–
	21,946	166,180

In relation to the financial year ended 31 December 2022, the Board of Directors has proposed a tax exempt one-tier final cash dividend of 1.0 Singapore cent per share to be approved by the shareholders at the forthcoming annual general meeting.

39. CONTINGENT LIABILITIES

39A. Corporate guarantees

Company	2022 US$'000	2021 US$'000
Corporate guarantees in favour of subsidiaries	356,409	316,473

40. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2022 were authorised for issue in accordance with a resolution of the directors on 27 March 2023.

STATISTICS OF SHAREHOLDINGS

AS AT 03 MARCH 2023

Issued and Paid-up Share Capital	:	SGD 567,276,650.88
Number of issued shares	:	2,067,423,320
Treasury Shares	:	27,587,800
Issued shares less treasury	:	2,039,835,520
Class of Shares	:	ordinary shares
Voting Rights	:	one vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Shareholders	%	No. of Shares	%
1 – 99	10	0.28	560	0.00
100 – 1,000	391	10.81	337,448	0.02
1,001 – 10,000	1,591	43.97	10,085,408	0.49
10,001 – 1,000,000	1,602	44.28	87,100,705	4.27
1,000,001 AND ABOVE	24	0.66	1,942,311,399	95.22
Total	**3,618**	**100.00**	**2,039,835,520**	**100.00**

SHAREHOLDING HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 3 March 2023, approximately 18.83% 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	RAFFLES NOMINEES (PTE.) LIMITED	1,339,872,141	65.69
2	CITIBANK NOMINEES SINGAPORE PTE LTD	446,583,257	21.89
3	DBS NOMINEES (PRIVATE) LIMITED	22,838,983	1.12
4	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	21,829,230	1.07
5	DBSN SERVICES PTE. LTD.	16,008,084	0.78
6	BPSS NOMINEES SINGAPORE (PTE.) LTD.	14,864,510	0.73
7	HSBC (SINGAPORE) NOMINEES PTE LTD	10,583,832	0.52
8	GOI SENG HUI	9,432,900	0.46
9	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	9,008,860	0.44
10	PHILLIP SECURITIES PTE LTD	8,602,348	0.42
11	MAYBANK SECURITIES PTE. LTD.	5,803,160	0.28
12	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	5,708,600	0.28
13	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	4,784,514	0.23
14	IFAST FINANCIAL PTE. LTD.	4,663,400	0.23
15	UOB KAY HIAN PRIVATE LIMITED	4,657,050	0.23
16	OCBC SECURITIES PRIVATE LIMITED	3,943,100	0.19
17	HONG LEONG FINANCE NOMINEES PTE LTD	2,849,000	0.14
18	HENG SIEW ENG	1,900,000	0.09
19	TIGER BROKERS (SINGAPORE) PTE. LTD.	1,782,300	0.09
20	GOH GEOK KHIM	1,650,000	0.08
	Total	**1,937,365,269**	**94.96**

STATISTICS OF SHAREHOLDINGS

AS AT 03 MARCH 2023

SUBSTANTIAL SHAREHOLDERS

Substantial shareholders as recorded in the Register of Substantial Shareholders as at 3 March 2023

	Direct Interest		Deemed Interest[2]		Total Interest	
Substantial Shareholders	**No. of Shares**	**%[1]**	**No. of Shares**	**%[1]**	**No. of Shares**	**%[1]**
Rangi Management Limited[1][2][3][7]	1,061,976,500	52.06	–	–	1,061,976,500	52.06
Fusion Investment Holdings Limited[1][2]	–	–	1,061,976,500	52.06	1,061,976,500	52.06
Tasburgh Limited[2][3][7]	106,714,375	5.23	–	–	106,714,375	5.23
Morze International Limited[2][4][6]	310,779,793	15.24	–	–	310,779,793	15.24
Highvern Trustees Limited[2][3][4][5]	–	–	1,479,470,668	72.53	1,479,470,668	72.53
Scuderia Trust[3]	–	–	1,168,690,875	57.29	1,168,690,875	57.29
Capital Two Trust[4]	–	–	310,779,793	15.24	310,779,793	15.24
MNM Holdings Limited[5]	–	–	1,479,470,668	72.53	1,479,470,668	72.53
Mr Martin John Hall[5]	–	–	1,479,470,668	72.53	1,479,470,668	72.53
Ms Naomi Julia Rive[5]	–	–	1,479,470,668	72.53	1,479,470,668	72.53
Ms Rachel Anastasia Kolonas[4][6]	–	–	310,779,793	15.24	310,779,793	15.24
Ms Tati Santosa[4]	–	–	310,779,793	15.24	310,779,793	15.24
Mdm Farida Gustimego Santosa[3][9]	–	–	1,168,690,875	57.29	1,168,690,875	57.29
Mr Renaldo Santosa[3][7][8][18][10]	–	–	1,238,175,175	60.70	1,238,175,175	60.70
Ms Gabriella Santosa[3][7][8][11]	–	–	1,236,390,875	60.61	1,236,390,875	60.61

(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 the Latest Practicable Date.*

(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

This Notice 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.

NOTICE IS HEREBY GIVEN that the Ninth 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 Monday, 17 April 2023 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 2022, together with the Auditors' Report.	**Resolution 1**
2.	To declare a final one-tier tax exempt dividend of 1.0 Singapore cent per ordinary share for the financial year ended 31 December 2022.	**Resolution 2**
3(i)	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 Yong Nang (see Note 5)	**Resolution 3**
	Kevin John Monteiro (see Note 6)	**Resolution 4**
	Renaldo Santosa (see Note 7)	**Resolution 5**
	Hendrick Kolonas (see Note 8)	**Resolution 6**
	Manu Bhaskaran (see Note 9)	**Resolution 7**
	Tan Kian Chew (see Note 10)	**Resolution 8**
	Chia Wee Boon (See Note 11)	**Resolution 9**
(ii)	To appoint the following candidate as a Director of the Company:	
	Tan Hwee Hua @ Lim Hwee Hua (See Note 12)	**Resolution 10**
(iii)	To note the retirement of the following Directors (who will complete their nine years tenor as Independent Director) upon the conclusion of the AGM:	
	Ng Quek Peng	
	Lien Siaou-Sze	
4.	To approve change in Directors' Fee for Non-Executive Directors (Note 13).	**Resolution 11**
5.	To approve payment of Directors' Fee up to 31 March 2024 based on the new Directors' Fee structure .	**Resolution 12**
6.	In the event Resolution 11 is not passed, to approve payment of Directors' Fee up to 31 March 2024 based on the existing Directors' Fee structure.	**Resolution 13**
7.	To re-appoint Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.	**Resolution 14**

(B) SPECIAL BUSINESS

To consider and if thought fit, to pass the following ordinary resolutions, with or without any modification:

8. Authority for Directors to issue additional shares and convertible instruments pursuant to Section 161 of the Companies Act 1967 **Resolution 15**

"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."

9. **Authority for Directors offer and grant Awards in accordance with the provisions of Japfa Ltd Performance Share Plan ("Share Plan") and pursuant to Section 161 of the Companies Act 1967** **Resolution 16**

"That approval be and is hereby given to the Directors to:

(i) offer and grant Awards in accordance with the provisions of Japfa Ltd Performance Share Plan ("Share Plan") and pursuant to Section 161 of the Companies Act 1967:

(a) to allot and issue from time to time such number of fully-paid new Shares as may be required to be delivered pursuant to the vesting of the Awards under the Share Plan; and

(b) (notwithstanding the authority conferred by this resolution may have ceased to be in force) to allot and issue from time to time such number of fully-paid new Shares as may be required to be delivered pursuant to any Awards granted by the Directors in accordance with the Share Plan awarded while the authority conferred by this resolution was in force, and

(ii) subject to the same being allowed by law, apply any Shares purchased under any share purchase mandate and to deliver such existing Shares (including treasury Shares) towards the satisfaction of Awards granted under the Share Plan,

PROVIDED THAT the aggregate number of Shares to be issued or transferred pursuant to the Awards under the Share Plan on any date, when aggregated with the number of Shares over which options or awards are granted under any other share option schemes or share schemes of the Company, shall not exceed fifteen per cent. (15%) of the total issued share capital of the Company (excluding treasury Shares) the day preceding that date."

10. **Proposed Renewal of the Share Purchase Mandate** **Resolution 17**

"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**");

NOTICE OF ANNUAL GENERAL MEETING

(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."

11. 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

31 March 2023

Notes:

1. **COVID-19 safe management measures**

   The Company may implement such COVID-19 safe management measures (including vaccination-differentiated 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 light of the COVID-19 situation in Singapore.

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.

   "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/its 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 need not be a member of the Company

NOTICE OF ANNUAL GENERAL MEETING

3. A member who wishes to appoint proxy(ies) to attend, speak and vote at the AGM on his/her/its 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) to attend, speak and vote on his/her/its behalf at the AGM, a member (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its 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:

   (i) 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; or

   (ii) by email to the Company's Share Registrar at japfaagm2023@boardroomlimited.com.

   A member will be required to provide his/her/its full name and NRIC/FIN/Passport/Company Registration number for verification purposes.

   in either case, **before 2.00 p.m. on Friday, 14 April 2023**, 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 at least seven (7) working days before the date of the AGM).

4. **Submission of questions in advance of the AGM**

   A member may submit substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM in advance of the AGM. To do so, all questions must be submitted by **2.00 p.m. on Monday, 10 April 2023** for the purposes of the AGM

   (i) 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; or

   (ii) by email to the Company's Share Registrar at japfaagm2023@boardroomlimited.com.

   A member will be required to provide his/her/its full name and NRIC/FIN/Passport/Company Registration number for verification purposes.

   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 2.00 p.m. on **Friday, 14 April 2023** (being 72 hours prior to the last date and time for lodgement of Proxy Form) or during the AGM.

5. Mr Tan Yong Nang will, upon re-election, continue to serve as an Executive Director and Chief Executive Officer of the Company.

6. Mr Kevin John Monteiro will, upon re-election, continue to serve as an Executive Director and the Chief Financial Officer of the Company.

7. 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.

8. Mr Hendrick Kolonas will, upon re-election, serve as a Non-Executive and a member of the Remuneration Committee.

NOTICE OF ANNUAL GENERAL MEETING

9. 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.

10. 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.

11. 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.

12. Ms Tan Hwee Hua @ Lim Hwee Hua, will upon election, serve as the Chairwoman of the Board of Directors and Chairwoman of the Nominating Committee. Ms Tan is an Independent Director.

13 Proposed change in Directors' Fee for Non-Executive Directors

	Fee Structure for Non-Executive Directors	
Appointment	**Existing Fees (S$ Per Annum)**	**New Fees commencing 2Q2023 (S$ Per Annum)**
Board Chairman	165,000	145,000
Board Member	95,000	95,000
Audit Committee Chairman	33,000	25,000
Remuneration Committee Chairman	30,000	20,000
Nominating Committee Chairman	25,000	20,000
Lead Independent Director	12,000	12,000
Committee Member	12,500	15,000

14. Ordinary Resolution 15 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).

15. Ordinary Resolution 16 is to empower the Directors to offer and grant awards pursuant to the Japfa Performance Share Plan ("Share Plan") and to issue Shares in the capital of the Company pursuant to the vesting of awards granted pursuant to Share Plan provided that: (a) the aggregate number of new Shares which may be issued under the Share Plan does not exceed 15% of the total number of issued Shares (excluding treasury shares) in the capital of the Company from time to time, (b) The aggregate number of Shares which may be issued or transferred pursuant to Awards under the Share Plan to Participants who are Controlling Shareholders and their Associates shall not exceed 25% of the Shares available under the Share Plan, and (c) The number of Shares which may be issued or transferred pursuant to Awards under the Plan to each Participant who is a Controlling Shareholder or his Associate shall not exceed 10% of the Shares available under the Share Plan.

16. Ordinary Resolution 17 is to renew the Share Purchase Mandate which was approved by shareholders on 14 April 2022. Please refer to the Appendix to the Notice of Annual General Meeting for more details.

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

NOTICE OF BOOKS CLOSURE

Notice is hereby given that, *subject* to members' approval to the proposed payment of a final one-tier tax exempt dividend, at the Ninth Annual General Meeting scheduled to be held on 17 April 2023, the Company's Share Transfer Book and Register of Members, will be closed on 24 April 2023 at 5.00 p.m. for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate and Advisory Services Pte. Ltd., at 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632, up to 5.00 p.m. on 24 April 2023 will be registered to determine shareholders' entitlements to the dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with shares in the capital of the Company as at 5.00 p.m. on 24 April 2023 will be entitled to the final dividend.

Payment of the final dividend, if approved by members at the Ninth Annual General Meeting will be made on 18 May 2023.

By Order of the Board
Japfa Ltd

Tan Yong Nang
Executive Director and Chief Executive Officer
31 March 2023

CANDIDATE STANDING FOR ELECTION AS DIRECTOR AT THE COMPANY'S ANNUAL GENERAL MEETING

CANDIDATE STANDING FOR ELECTION AS DIRECTOR AT THE COMPANY'S ANNUAL GENERAL MEETING

TAN HWEE HUA @ LIM HWEE HUA

Mrs Lim Hwee Hua, has extensive experiences 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 and Nippon Paint in Japan). She currently chairs the charity SIM People Development Fund and had previously helped establish the ISCA Cares Fund, a charity targeted at accountancy students. Mrs Lim has lectured 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).

CANDIDATE STANDING FOR ELECTION AS DIRECTOR AT THE COMPANY'S ANNUAL GENERAL MEETING

Proposed Candidate to be appointed as Independent Director	Tan Hwee Hua @ Lim Hwee Hua
Age	64
Country Of Principal Residence	Singapore
Proposed Date Of Appointment	17 April 2023
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	About 15 potential candidates were identified through recommendations from board members and business/ industry contacts. 5 candidates were shortlisted. After reviewing their relevant experience, qualifications and what they can bring to Japfa, as well as board diversity and gender diversity, Mrs Lim was found to be the most suitable candidate. Mrs Lim also met with the Nominating Committee and key executives of Japfa. The Board having considered the recommendation of the NC, nominate Ms Lim to stand for election as a Director of the Company.
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 Chairwoman Chairwoman 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
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)	No

CANDIDATE STANDING FOR ELECTION AS DIRECTOR AT THE COMPANY'S ANNUAL GENERAL MEETING

Proposed Candidate to be appointed as Independent Director	Tan Hwee Hua @ Lim Hwee Hua
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
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Shareholding interest in the listed issuer and its subsidiaries	Nil
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
Present	Asia Pacific Clear Pte Limited Asia Pacific Exchange Pte Limited Jardine Cycle & Carriage Limited Nippon Paint Holdings Co., Ltd Re Sustainability Limited (formerly known as Ramky Enviro Engineers Limited) SIM People Development Fund Limited Tembusu Partners Private Limited International Valuation Standards Council, Board of Trustee

CANDIDATE STANDING FOR ELECTION AS DIRECTOR AT THE COMPANY'S ANNUAL GENERAL MEETING

Proposed Candidate to be appointed as Independent Director	Tan Hwee Hua @ Lim Hwee Hua

INFORMATION REQUIRED PURSUANT 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
If Yes, Please provide full details	
(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
If Yes, Please provide full details	
(c) Whether there is any unsatisfied judgment against him?	No
If Yes, Please provide full details	
(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
If Yes, Please provide full details	
(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
If Yes, Please provide full details	

CANDIDATE STANDING FOR ELECTION AS DIRECTOR AT THE COMPANY'S ANNUAL GENERAL MEETING

Proposed Candidate to be appointed as Independent Director	Tan Hwee Hua @ Lim Hwee Hua
(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
If Yes, Please provide full details	
(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
If Yes, Please provide full details	
(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
If Yes, Please provide full details	
(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
If Yes, Please provide full details	
(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
If Yes, Please provide full details	
(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
If Yes, Please provide full details	

CANDIDATE STANDING FOR ELECTION AS DIRECTOR AT THE COMPANY'S ANNUAL GENERAL MEETING

Proposed Candidate to be appointed as Independent Director	Tan Hwee Hua @ Lim Hwee Hua
(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
If Yes, Please provide full details	
(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
If Yes, Please provide full details	
(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
If Yes, Please provide full details	
Any prior experience as a director of an issuer listed on the Exchange?	Yes
If Yes, Please provide details of prior experience	2011 – present : Jardine Cycle & Carriage Limited Independent Director 2012 – 2015 : Stamford Land Corporation, Independent Director 2014 – 2021 : United Overseas Bank Limited, Independent Director

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 31 March 2023

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/her/them, the Chairman of the Annual General Meeting ("**AGM**"), as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the AGM to be held at York Hotel Singapore, Carlton Hall, Level 2, 21 Mount Elizabeth, Singapore 228516 on Monday, 17 April 2023 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/she/their discretion, as he/she/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 Declaration of a final one-tier tax exempt dividend of 1.0 Singapore cent per ordinary share			
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 Election of Tan Hwee Hua @Lim Hwee Hua as a Director			
Ordinary Resolution 11 To approve the proposed change in Directors' Fee structure for Non-Executive Directors commencing 2Q2023			
Ordinary Resolution 12 To approve payment of Directors' Fee up to 31 March 2024 based on New Directors' Fee structure			
Ordinary Resolution 13 In the event Resolution 11 is not passed, to approve payment of Directors' Fee up to 31 March 2024 based on existing Directors' Fee structure.			
Ordinary Resolution 14 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 15 Authority for Directors to issue additional shares and convertible instruments pursuant to Section 161 of the Companies Act 1967			
Ordinary Resolution 16 Authority for Directors to offer and grant awards and issue shares in accordance with the provision of Japfa Performance Share Plan and pursuant to Section 161 of the Companies Act 1967			
Ordinary Resolution 17 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 ____________________ 2023

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/its name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), he/she/it should insert that number of Shares. If the member has Shares registered in his/her/its name in the Register of Members, he/she/it should insert that number of Shares. If the member has Shares entered against his/her/its name in the Depository Register and Shares registered in his/her/its name in the Register of Members, he/she/it should insert the number of Shares entered against his/her/its name in the Depository Register and registered in his/her/its 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/its behalf at the AGM, a member (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its 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., 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632; or
   (b) if by email, be received by the Company's Share Registrar at japfaagm2023@boardroomlimited.com,
   in either case, by **2.00 p.m. on 14 April 2023** (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 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.
6. 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
7. 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.
8. 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.
9. 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.
10. 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.
11. 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

HANDOJO SANTOSA @ KANG KIEM HA
Executive Chairman
(Demised 25 September 2022)

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

NG QUEK PENG
Lead Independent Director

LIEN SIAOU-SZE
Independent Director

MANU BHASKARAN
Independent Director

TAN KIAN CHEW
Independent Director

CHIA WEE BOON
Independent Director

AUDIT AND RISK COMMITTEE

NG QUEK PENG
Chairman

CHIA WEE BOON

TAN KIAN CHEW

NOMINATING COMMITTEE

MANU BHASKARAN
Chairman

LIEN SIAOU-SZE

NG QUEK PENG

REMUNERATION COMMITTEE

LIEN SIAOU-SZE
Chairwoman

CHIA WEE BOON

TAN KIAN CHEW

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

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 MAYBANK INDONESIA
Sentral Senayan 3
Jl. Asia Afrika No. 8, Senayan
Jakarta 10270
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
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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