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UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: Japfa Ltd

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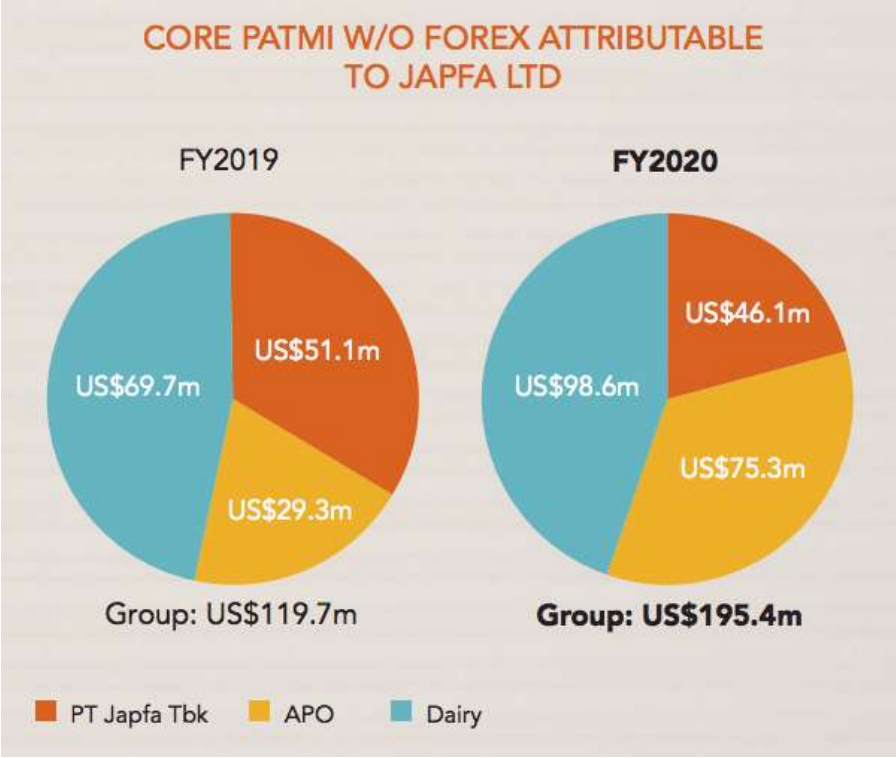
Meeting details:
Date: 15 April 2021
Time: 3.00 p.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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Q1. The group celebrated its golden jubilee in 2020. Over the five decades, the group has grown from a single poultry feed mill in Indonesia into a leading, pan-Asian, industrialised agri-food company dedicated to feeding emerging Asia with essential proteins.

The group has been successful in its diversification strategy across proteins and markets and has built up three main pillars, namely poultry in Indonesia, dairy in China, and swine in Vietnam. The group's core PATMI is shown on page 24 and reproduced below:



(Source: company annual report)

In the message to shareholders, the chairman has said that the group is still looking to establish more pillars in the future, such as aquaculture. Based on the prospects for protein consumption in middle- and lower-income consumer groups in Asia, the group remains confident in its long-term outlook.

Would the board/management help shareholders understand the significance of the corporate actions during the year? Specifically:

(i) **Dairy – China: Following the sale of 25% of the dairy business in China to Meiji, will the group be accelerating its growth plans for the China dairy business?** With the Meiji partnership, the group will supply quality raw milk to support Meiji's downstream operations. **How will this affect the relationships the group has with its other downstream customers who are themselves leading dairy companies in China? Will the partnership potentially slow down the growth of the group's downstream dairy business under its own brand 澳亚牧场 (AustAsia)?**

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(ii) **Dairy – SEA:** The group also divested a 80% stake in its vertically integrated branded dairy business in SEA to TPG and Northstar. With this strategic tie-up, the group continues to benefit from future upside as TPG and Northstar bring both funding and management expertise. **Can management help shareholders understand the level of influence and control it retains in the business after the sale?**

(iii) **Dairy: Can the board help shareholders understand the reasons to allocate capital away from Dairy to the group's other businesses?**

(iv) **Aquaculture: Can the board elaborate further on the growth plans for the aquaculture business for the next 3-5 years?**

(v) **PT Japfa Tbk:** The group carried out an intragroup reorganisation to re-organise its consumer food operations in Indonesia by fully integrating the downstream branded business with the upstream (poultry feed and breeding) and midstream (commercial poultry farming) businesses. In the past 3-4 years, results from the different segments in PT Japfa Tbk have been mixed.



Can management help shareholders understand its strategy to improve the performance of PT Japfa Tbk? Specifically, how responsive is the group to market forces (such as broiler and DOC prices) and how much pricing power does it have (apart from the feed business where it has been strong)?

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Q2. The group has managed the 2019 African Swine Fever ("ASF") epidemic in Vietnam exceptionally well and has recovered faster than its competitors. As noted in the operating and financial review, it was noted that APO-Vietnam was able to maintain its swine fattening sale volumes amid a general swine population decline in Vietnam, and capitalise on the rebound in swine fattening ASP since 4Q2019, thus recording strong profits in FY2020.

(i) **What is the group's market share in Vietnam for swine?**

(ii) **Can management help shareholders understand the key features of its biosecurity protocols that have been so successful at preventing the spread of ASF? How long more before competitors can duplicate the group's industrialised business model and biosecurity efforts and catch up with the group?**

Q3. The group's vision of "Growing Towards Mutual Prosperity" encapsulates its recognition of the importance of preserving natural resources and ecosystems. It has developed three Sustainability Pillars, namely Efficient production system; Developing our People and Improving Nutrition.

In view of how the COVID-19 pandemic has ravaged economies, industries and livelihoods, the theme of the 2020 Sustainability Report is "Resilient".

(i) **Can the company confirm that the 2020 Sustainability Report will be published by the end of May 2021, if not earlier?**

The 2019 Sustainability report covered the group's poultry operations in Indonesia, Vietnam, Myanmar and India, and the aquaculture operations in Indonesia.

(ii) **Will the dairy and swine operations be included in the 2020 Sustainability Report? If not, when will the group be covering these major operations in the SR?**

The group's business model focuses on five proteins, namely Poultry, Beef, Aquaculture, Swine and Dairy. The pandemic has also increased the awareness of animal welfare and highlighted alternatives food sources such as plant-based proteins.

(iii) **What is the level of oversight and ownership by the board on the group's animal welfare practices?**

In certain countries, such as Germany, there are proposed legislation to ban the mass culling of day-old male chicks.

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(iv) **How does the group balance operational efficiency/profit and animal welfare in a sustainable manner that allows the group to achieve its strategic growth plans?**

(v) **Has the board evaluated plant-based proteins both as a threat and as an opportunity?**

^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

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^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)