JAPFA LTD
AND ITS SUBSIDIARIES

(Registration Number: 200819599W)

SGXNET ANNOUNCEMENT
UNAUDITED FINANCIAL STATEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2016

JAPFA LTD.

(Registration Number: 200819599W)

UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

1 (a) (i) Income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Income Statement

	1st Quarter		
	2016	2015	Change
	US$'000	US$'000	%
Revenue	717,661	675,672	6%
Cost of Sales	(571,493)	(568,477)	1%
Gross Profit	146,168	107,195	36%
Marketing and Distribution Costs	(29,583)	(26,540)	11%
Administrative Expenses	(61,456)	(49,201)	25%
Operating Profit	55,129	31,454	75%
Interest Income	634	798	-21%
Finance Costs	(15,954)	(17,718)	-10%
Other Gains, Net	1,175	844	39%
Share of results of Joint Ventures	(128)	(233)	-45%
Profit Before Foreign Exchange Adjustments and Changes in Fair Value of Biological Assets	**40,856**	**15,145**	170%
Foreign Exchange Adjustments Gains/(Losses)	8,711	(13,915)	n/m
(Loss)/Gain from Changes in Fair Value of Biological Assets	(1,611)	7,386	n/m
Profit Before Tax from Continuing Operations	47,956	8,616	457%
Income Tax Expense	(10,856)	(3,643)	198%
Profit from Continuing Operations, Net of Tax	37,100	4,973	646%
Profit Attributable to Owners of the Parent, Net of Tax*	**23,390**	**6,997**	234%
Profit/(Loss) Attributable to Non-Controlling Interests, Net of Tax	13,710	(2,024)	n/m
Profit, Net of Tax	37,100	4,973	646%

n/m : not meaningful

Additional information:

Management believes that Core PATMI and EBITDA are important measures of performance, although these are not standard measures under FRS.

Profit Attributable to Owners of the Parent, Net of Tax, without fair value changes of biological assets, net of tax and excluding extraordinary items ("**Core PATMI**")	24,380	1,644	n/m

* We derived Core PATMI from "Profit Attributable to Owners of the Parent, Net of Tax" by excluding changes in fair value of biological assets attributable to owners of the parent (net of tax), and excluded extraordinary items (attributable to owners of the parent, net of tax) namely, a gain from the buyback of USD bonds.

EBITDA	77,074	50,327	53%

We define EBITDA as profit before tax from continuing operations, excluding interest income, changes in fair value of biological assets and marketable securities, foreign exchange adjustments losses, finance costs, depreciation of property, plant and equipment, depreciation of investment properties and amortisation of intangible assets.

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1 (a) (ii) Net Profit is arrived at after (charging)/ crediting the following :

	1st Quarter		
	2016	2015	Change
	US$'000	US$'000	%
Finance Costs	(15,954)	(17,718)	-10%
Foreign Exchange Adjustments Gains/(Losses)	8,711	(13,915)	n/m
Depreciation of Property, Plant and Equipment and Investment Properties	(19,763)	(17,740)	11%
Amortisation of Intangible Assets	(289)	(312)	-7%
Interest Income	634	798	-21%
(Loss)/Gain from Changes in Fair Value of Biological Assets	(1,611)	7,386	n/m
Loss from Changes in Fair Value of Financial Assets	(846)	(210)	303%
(Loss)/Gain on Disposal of Property, Plant and Equipment and Investment Properties	(408)	270	n/m

n/m : not meaningful

1 (a) (iii) Statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Comprehensive Income

	1st Quarter		
	2016	2015	Change
	US$'000	US$'000	%
Profit from Continuing Operations, Net of Tax	37,100	4,973	646%
Other Comprehensive Income/(Loss):			
Items that will not be reclassified to profit or loss:			
Remeasurement of the Net Defined Benefits Plan, Net of Tax	732	(942)	n/m
Items that may be reclassified subsequently to profit or loss:			
Exchange Differences on Translating Foreign Operations, Net of Tax	28,472	(26,575)	n/m
Other Comprehensive Income/(Loss) for the Period, Net of Tax	29,204	(27,517)	n/m
Total Comprehensive Income/(Loss)	66,304	(22,544)	n/m
Total Comprehensive Income/(Loss) Attributable to Owners of Parent, Net of Tax	43,620	(10,542)	n/m
Total Comprehensive Income/(Loss) Attributable to Non-Controlling Interests, Net of Tax	22,684	(12,002)	n/m
Total Comprehensive Income/(Loss)	66,304	(22,544)	n/m

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1 (b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at 31/3/2016 US$'000	As at 31/12/2015 US$'000	As at 31/3/2016 US$'000	As at 31/12/2015 US$'000
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	865,135	834,952	352	416
Investment Properties	939	924	-	-
Intangible Assets	8,894	8,525	-	-
Biological Assets	305,927	290,064	-	-
Investments in Subsidiaries	-	-	800,014	790,075
Investment in Joint Ventures	3,833	3,476	-	-
Deferred Tax Assets	15,863	12,729	-	-
Other Receivables	2,025	349	-	-
Other Assets	12,325	15,065	-	-
Total Non-Current Assets	1,214,941	1,166,084	800,366	790,491
Current Assets				
Inventories	615,825	609,437	-	-
Biological Assets	55,606	51,917	-	-
Trade and Other Receivables	161,389	132,381	170,852	177,177
Other Financial Assets	9,264	9,529	2,682	4,092
Other Assets	111,853	95,304	51	58
Cash and Cash Equivalents	142,680	147,935	5,419	14,258
Total Current Assets	1,096,617	1,046,503	179,004	195,585
Total Assets	2,311,558	2,212,587	979,370	986,076
EQUITY AND LIABILITIES				
Equity				
Share Capital	937,614	937,614	937,614	937,614
Retained Earnings	324,842	301,022	27,115	26,093
Other Reserves	(397,980)	(396,315)	-	-
Translation Reserve	(151,976)	(171,776)	-	-
Equity Attributable to Owners of the Parent	712,500	670,545	964,729	963,707
Non-Controlling Interests	361,186	338,071	-	-
Total Equity	1,073,686	1,008,616	964,729	963,707
Non-Current Liabilities				
Provisions	78,709	74,801	-	-
Deferred Tax Liabilities	7,473	4,512	-	-
Trade and Other Payables	566	642	-	-
Other Financial Liabilities	514,814	510,436	-	-
Other Liabilities	3,250	3,267	-	-
Total Non-Current Liabilities	604,812	593,658	-	-
Current Liabilities				
Income Tax Payable	20,131	13,045	-	-
Trade and Other Payables	212,568	259,971	1,141	2,119
Other Financial Liabilities	392,211	330,071	13,500	20,250
Other Liabilities	8,150	7,226	-	-
Total Current Liabilities	633,060	610,313	14,641	22,369
Total Liabilities	1,237,872	1,203,971	14,641	22,369
Total Equity and Liabilities	2,311,558	2,212,587	979,370	986,076

1 (b) (ii) Aggregate amount of group's borrowings and debt securities.

	As at 31/3/2016 US$'000	As at 31/12/2015 US$'000
Amount due within one year		
Secured	392,211	330,071
Total	392,211	330,071
Amount due more than one year		
Secured	205,915	204,008
Unsecured	308,899	306,428
Total	514,814	510,436

The secured borrowings are secured by property, plant and equipment, share certificates of certain subsidiaries, cash and cash equivalents, receivables, inventories, biological assets, assessment of insurance policies and corporate guarantees of subsidiaries.

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1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	1st Quarter	
	2016	2015
	US$'000	US$'000
Cash Flows From Operating Activities		
Profit Before Tax	47,956	8,616
Adjustment for:		
Amortisation of Intangible Assets	289	312
Amortisation of Land Use Rights	22	6
Depreciation of Property, Plant and Equipment and Investment Properties	19,763	17,740
Loss/(Gain) from Changes in Fair Value of Biological Assets	1,611	(7,386)
Loss on Disposal of Other Financial Assets	18	-
Loss/(Gain) from Changes in Fair Value of Derivative Financial Instruments	1,501	(310)
Loss from Changes in Fair Value of Financial Assets	846	210
Loss/(Gain) on Disposal of Property, Plant and Equipment and Investment Properties	408	(270)
Gain on Buyback of Bonds Payable	(634)	-
Increase in Provision for Retirement Benefits	2,857	2,734
Interest Income	(634)	(798)
Interest Expense	15,954	17,718
Share Options Granted by Subsidiary	105	127
Share of Loss from Equity-Accounted Joint Ventures	128	233
Write-off of Property, Plant and Equipment	2	3
Net Effect of Exchange Rate Changes	5,974	4,871
Operating Cash Flows before Changes in Working Capital	96,166	43,806
Inventories	(6,388)	23,296
Biological Assets	(12,382)	(6,561)
Trade and Other Receivables	(30,684)	4,767
Other Assets	(11,452)	(8,768)
Trade and Other Payables	(45,713)	3,928
Provisions	(1,524)	41
Other Liabilities	907	669
Net Cash Flows (Used in)/From Operations	(11,070)	61,178
Income Taxes Paid	(6,072)	(6,076)
Net Cash Flows (Used in)/From Operating Activities	(17,142)	55,102
Cash Flows From Investing Activities		
Purchase of Property, Plant and Equipment	(24,662)	(49,923)
Purchase of Intangible Assets	(337)	(825)
Land Use Rights	(123)	-
Purchase of Other Financial Assets	(1,566)	-
Purchase of Biological Assets	(3,172)	(860)
Proceeds from Disposal of Property, Plant and Equipment	479	764
Proceeds from Disposal of Investment in Other Financial Assets	547	-
Addition to Investment in Joint Venture	(380)	(412)
Interest Received	634	798
Net Cash Flows Used in Investing Activities	(28,580)	(50,458)

1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (Cont'd)

	1st Quarter	
	2016	2015
	US$'000	US$'000
Cash Flows From Financing Activities		
Increase/ (Decrease) in Other Financial Liabilities	62,966	(48,307)
Increase from New Bank Loans	-	7,958
Cash Restricted in Use	(1,232)	2,157
Buy Back of Bonds Payable	(3,285)	-
Proceeds from Issue of New Shares by Subsidiary to Non-Controlling Interests	3,057	-
Acquisition of Non-Controlling Interests Without Change in Control	(4,396)	-
Interest Paid	(15,954)	(17,718)
Net Cash Flows From/(Used in) Financing Activities	41,156	(55,910)
Net Decrease in Cash and Cash Equivalents	(4,566)	(51,266)
Effect of exchange rate changes on cash and cash equivalents	(1,921)	(2,275)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	140,769	281,192
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	134,282	227,651

Notes:
(i) For the purpose of the Consolidated Statement of Cash Flows, the Consolidated Cash and Cash Equivalents comprise the following:

	2016	2015
	US$'000	US$'000
Cash and Bank Balances	142,680	230,963
Less: Bank Deposit Pledged	(8,398)	(3,312)
Cash and Cash Equivalents per Consolidated Statement of Cash Flows	134,282	227,651

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1 (d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholder, together with a comprehensive statement for the corresponding period of the immediately preceding financial year.

Group	Total Equity US$'000	Attributable to Parent Sub-total US$'000	Share Capital US$'000	Retained Earnings US$'000	Other Reserves US$'000	Translation Reserve US$'000	Non-Controlling Interests US$'000
Balance at 1 January 2016	1,008,616	670,545	937,614	301,022	(396,315)	(171,776)	338,071
Movements in Equity:							
Total Comprehensive Income for the Period	66,304	43,620	-	23,820	-	19,800	22,684
Issue of New Shares by Subsidiary to Non-Controlling Interests Without a Change in Control	3,057	-	-	-	-	-	3,057
Acquisition of Non-Controlling Interests Without Change in Control	(4,396)	(1,770)	-	-	(1,770)	-	(2,626)
Grant of Share Options	105	105	-	-	105	-	-
Balance at 31 March 2016	1,073,686	712,500	937,614	324,842	(397,980)	(151,976)	361,186
Balance at 1 January 2015	994,274	661,868	937,614	238,601	(398,931)	(115,416)	332,406
Movements in Equity:							
Total Comprehensive Loss for the Period	(22,544)	(10,542)	-	6,446	-	(16,988)	(12,002)
Grant of Share Options	127	127	-	-	127	-	-
Balance at 31 March 2015	971,857	651,453	937,614	245,047	(398,804)	(132,404)	320,404

1 (d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholder, together with a comprehensive statement for the corresponding period of the immediately preceding financial year. (Cont'd)

Company	Total Equity US$'000	Share Capital US$'000	Retained Earnings US$'000
Balance at 1 January 2016	963,707	937,614	26,093
Movements in Equity:			
Total Comprehensive Income for the Period	1,022	-	1,022
Balance at 31 March 2016	964,729	937,614	27,115
Balance at 1 January 2015	959,643	937,614	22,029
Movements in Equity:			
Total Comprehensive Loss for the Period	(445)	-	(445)
Balance at 31 March 2015	959,198	937,614	21,584

1 (d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of Shares	
	1st Quarter 2016	1st Quarter 2015
Issued and fully paid ordinary shares:		
As at beginning of period	1,764,670,391	1,764,670,391
As at end of period	1,764,670,391	1,764,670,391

1 (d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31/3/2016	As at 31/3/2015
Number of issued shares	1,764,670,391	1,764,670,391

1 (d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computations applied by the Group are consistent with those used in its audited financial statements as at 31 December 2015 except for those as disclosed under item 5 below.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

On 1 January 2016, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	1st Quarter	
	2016	2015
	US Cents	US Cents
Earnings per share for the period		
(a) Based on weighted average number of ordinary shares in issue	1.33	0.40
(b) Based on a fully diluted basis	1.33	0.40
Weighted Average Number of Ordinary Shares	1,764,670,391	1,764,670,391

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the current financial period reported on and immediately preceding financial year.

	Group		Company	
	As at 31/3/2016	As at 31/12/2015	As at 31/3/2016	As at 31/12/2015
	US$	US$	US$	US$
Net asset value per ordinary share	0.40	0.38	0.55	0.55

Net asset value per ordinary share is based on the issued share capital of the Company at the end of the financial period.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Group Performance

1Q 2016 vs 1Q 2015

Revenue

	1Q 2016	1Q 2015	Variance
	US$'000	US$'000	US$'000
Animal Protein Indonesia	466,162	448,126	18,036
Animal Protein Other	136,719	126,752	9,967
Dairy	69,080	59,775	9,305
Consumer Food	45,700	41,019	4,681
Total	717,661	675,672	41,989

All business segments show an improvement in revenue mainly due to the improved poultry market from the Indonesia operations in the animal protein segment and also higher sales volumes across all business segments.

Operating Profit

	1Q 2016	1Q 2015	Variance
	US$'000	US$'000	US$'000
Animal Protein Indonesia	27,982	7,848	20,134
Animal Protein Other	10,018	9,020	998
Dairy	15,020	13,236	1,784
Consumer Food	431	737	(306)
Others	1,678	613	1,065
Total	55,129	31,454	23,675

The increase in operating profit was mainly due to improvement in the profitability from the Indonesia operations in the animal protein segment. The poultry business in Indonesia turned around in second half 2015, mainly due to improvement in poultry market leading to better pricing environment.

The "Profit Before Foreign Exchange Adjustments and Changes in Fair Value of Biological Assets" was US$40.9 million in 1Q 2016 as compared to US$15.1 million in 1Q 2015.

Profit after tax improved from US$5.0m in 1Q 2015 to US$37.1m in 1Q 2016. However, this included a foreign exchange adjustments turnaround of US$22.6m. Foreign exchange adjustments gain was US$8.7m in 1Q 2016 as compared to foreign exchange adjustments loss of US$13.9m in 1Q 2015.

The profit attributable to owners of the parent was US$23.4 million in 1Q 2016 and US$7.0 million in 1Q 2015. If we exclude the fair value changes of biological assets and extraordinary items (gain from the buyback of USD bonds), the adjusted profit attributable to owners of the parent ("Core PATMI") will be US$24.4 million in 1Q 2016 as compared to US$1.6 million in 1Q 2015.

Review of Financial Position

The Group's total assets as at 31 March 2016 increased by US$99.0 million from US$2,212.6 million to US$2,311.6 million primarily due to increase in property, plant and equipment, biological assets and trade receivables.

The Group's total liabilities as at 31 March 2016 increased by US$33.9 million from US$1,204.0 million to US$1,237.9 million primarily due to increase in other financial liabilities.

The Group's translation reserves improved from negative US$171.8 million as at 31 December 2015 to negative US$152.0 million as at 31 March 2016 mainly due to translation gain arising from the Indonesian Rupiah strengthening against the US Dollar.

Review of Group Cash Flow

Net cash flows used in operating activities were US$17.1 million in 1Q 2016, which mainly arose from operating cash flows before changes in working capital of US$96.2 million, changes in working capital of US$107.2 million and income tax paid of US$6.1 million.

Net cash flows used in investing activities were US$28.6 million in 1Q 2016 mainly represented by the purchase of property, plant and equipment of US$24.7 million.

Net cash flows from financing activities were US$41.1 million in 1Q 2016 and mainly arose from increase in other financial liabilities of US$63.0 million, interest paid of US$15.9 million and consideration paid for the acquisition of non-controlling interests of US$4.4 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In the first quarter of 2016 ("1Q 2016"), the poultry industry in Indonesia continued to have a more balanced supply and demand of day-old chicks ("DOCs") and broiler chickens, compared to the same period last year. Fluctuations in DOC and broiler prices, due to the seasonality and cyclical nature of the poultry industry, are expected as part of the Group's business.

While the Indonesian Rupiah has strengthened in 1Q 2016, the Group expects the Indonesian Rupiah to remain volatile in the near term, which may affect consumer consumption. Nonetheless, the Group is confident that PT Japfa Tbk's 40-year track record and leading position in the poultry industry will enable it to mitigate these challenges, and to tap on the eventual recovery of growth in consumption in Indonesia.

The Group will also continue to keep a close watch on ongoing shifts in government policies across various sectors of the Indonesian economy, which can potentially impact the way the Group operates. The Group will remain vigilant and ready to respond to any changes in the competitive and regulatory landscape.

In Indonesia, the Business Competition Supervisory Commission ("KPPU") issued a guilty verdict on 32 beef companies, including two subsidiaries of PT Japfa Tbk, of cartel and production arrangements. The total fine imposed is approximately US$1 million. The Group plans to appeal against the decision to the District Court. This is not expected to have a material effect on the Group's operations and business. In addition, the KPPU has decided to progress the case against PT Japfa Tbk and another 11 poultry companies to the Advanced Examination stage in relation to the culling programme of 6 million parent stock. As the culling programme was stopped because of the KPPU case, this may bring back an imbalance in supply and demand of DOCs in the market.

In general, the Group's performance is impacted by the macroeconomic environment and currency fluctuations of the countries it operates in, as well as the market environment of the various protein industries. In view of the slowdown of the China economy, raw milk prices in China are expected to remain sluggish in the near term. On the other hand, feed raw material costs are expected to soften. The rest of the Asian markets could also continue to see fluctuations in raw material costs and selling prices, which are determined by supply and demand.

Notwithstanding market volatilities, the Group believes in the long-term growth prospects of the emerging markets it operates in, which have a large population base but a low protein consumption. The Group remains confident that its diversified strategy across multiple proteins and geographies, together with its track record in replicating its industrialised and scalable business across the region, will sustain its long-term growth momentum.

11. Dividend

(a) Current Financial Period Reported on
Nil

(b) Corresponding Period of the Immediately Preceding Financial Year
Nil

(c) Date Payable
Not Applicable

(d) Books Closure Date
Not Applicable

12. If no dividend has been declared/ recommended, a statement to that effect.

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have any general mandate for interested person transaction(s) from the shareholders.

14. Negative Confirmation by the Board pursuant to Rule 705(5)

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited first quarter financial results for the period ended 31 March 2016 to be false or misleading in any material respect.

15. Confirmation pursuant to Appendix 7.7 under Rule 720(1) of the Listing Manual

The Company has procured undertakings from all its directors and executive officers in compliance with Listing Rule 720(1).

On behalf of the Board of Directors

By Order of the Board
Japfa Ltd

Tan Yong Nang
Executive Director and
Chief Executive Officer
28 April 2016