JAPFA LTD.

(Registration Number: 200819599W)

UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014

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	3rd Quarter			Jan - Sept		
	2014	2013	Change	2014	2013	Change
	US$'000	US$'000	%	US$'000	US$'000	%
Revenue	784,664	679,841	15%	2,242,086	2,057,740	9%
Cost of Sales	(661,176)	(535,521)	23%	(1,861,551)	(1,651,545)	13%
Gross Profit	123,488	144,320	-14%	380,535	406,195	-6%
Other Items of Income						
Interest Income	711	649	10%	2,812	2,127	32%
Gain on Disposal of Asset Held for Sale	-	-	n/m	9,571	-	n/m
Other Credits	(261)	921	n/m	3,322	2,719	22%
Other Items of Expense						
Foreign Exchange Adjustments Losses	(3,331)	(23,777)	-86%	(3,473)	(23,725)	-85%
Loss from Changes in Fair Value of Biological Assets	(1,812)	(624)	n/m	(5,152)	(1,453)	n/m
Marketing and Distribution Costs	(28,384)	(25,163)	13%	(80,006)	(70,971)	13%
Administrative Expenses	(51,651)	(44,383)	16%	(155,753)	(149,919)	4%
Finance Costs	(22,013)	(15,228)	45%	(62,417)	(47,201)	32%
Other Charges	363	(611)	n/m	(444)	(1,372)	-68%
Share of Loss After Tax of Joint Venture	(27)	-	n/m	(27)	-	n/m
Profit Before Tax from Continuing Operations	17,083	36,104	-53%	88,968	116,400	-24%
Income Tax Expense	(2,441)	(10,259)	-76%	(13,298)	(32,770)	-59%
Profit from Continuing Operations, Net of Tax	14,642	25,845	-43%	75,670	83,630	-10%
Profit Attributable to Owners of the Parent, Net of Tax	**10,774**	**11,994**	**-10%**	**45,144**	**45,432**	**-1%**
Profit Attributable to Non-Controlling Interests, Net of tax	3,868	13,851	-72%	30,526	38,198	-20%
Profit , Net of Tax	14,642	25,845	-43%	75,670	83,630	-10%
Other Comprehensive Income/(Loss):						
Items that may be reclassified subsequently to profit or loss:						
Remeasurement of the Net Defined Benefits Plan, Net of Tax	(45)	1,912	n/m	(7,805)	6,286	n/m
Items that will not be reclassified to profit or loss:						
Exchange Differences on Translating Foreign Operations, Net of Tax	(14,381)	(81,403)	-82%	106	(92,815)	n/m
Other Comprehensive Loss for the Period, Net of tax	(14,426)	(79,491)	-82%	(7,699)	(86,529)	-91%
Total Comprehensive Income/(Loss)	216	(53,646)	n/m	67,971	(2,899)	n/m
Total Comprehensive Income/(Loss) Attributable to Owners of the Parent, Net of Tax	(3,574)	(36,142)	-90%	40,453	(13,024)	n/m
Total Comprehensive Income/(Loss) Attributable to Non-Controlling Interests, Net of Tax	3,790	(17,504)	n/m	27,518	10,125	n/m
Total Comprehensive Income/(Loss)	216	(53,646)	n/m	67,971	(2,899)	n/m

n/m : not meaningful

JAPFA LTD.

(Registration Number: 200819599W)

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

	3rd Quarter			Jan - Sept		
	2014 US$'000	2013 US$'000	Change %	2014 US$'000	2013 US$'000	Change %
Finance Costs	(22,013)	(15,228)	45%	(62,417)	(47,201)	32%
Foreign Exchange Adjustments Losses	(3,331)	(23,777)	-86%	(3,473)	(23,725)	-85%
Depreciation of Property, Plant and Equipment and Investment Properties	(15,541)	(13,019)	19%	(45,517)	(40,300)	13%
Amortization of Intangible Assets	(204)	(212)	-4%	(674)	(571)	18%
Interest Income	711	649	10%	2,812	2,127	32%
Loss from Changes in Fair Value of Biological Assets	(1,812)	(624)	n/m	(5,152)	(1,453)	n/m
Gain/(Loss) from Changes in Fair Value of Marketable Securities	264	(611)	n/m	566	(1,372)	n/m
Gain on Disposal of Asset Held for Sale	-	-	n/m	9,571	-	n/m
Additional information :						
EBITDA	59,009	88,926	-34%	202,823	228,895	-11%

n/m : not meaningful

EBITDA is not a standard measure under FRS. 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 gains/(losses), finance costs, depreciation of property, plant and equipment, depreciation of investment properties and amortisation of intangible assets.

JAPFA LTD.

(Registration Number: 200819599W)

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 30/9/2014 US$'000	As at 31/12/2013 US$'000	As at 30/9/2014 US$'000	As at 31/12/2013 US$'000
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	784,761	652,745	705	850
Investment Properties	2,988	2,275	-	-
Intangible Assets	9,635	10,056	-	-
Biological Assets	277,834	237,878	-	-
Investments in Subsidiaries	-	-	734,304	172,707
Investment in Joint Venture	1,043	-	-	-
Deferred Tax Assets	21,076	15,215	-	-
Other Receivables	332	-	-	-
Other Assets	5,639	9,819	-	-
Total Non-Current Assets	1,103,308	927,988	735,009	173,557
Current Assets				
Inventories	633,419	543,010	-	-
Biological Assets	55,390	48,504	-	-
Trade and Other Receivables	152,159	134,564	148,301	123,507
Other Financial Assets	3,061	2,689	3,043	2,443
Other Assets	125,132	79,610	649	876
Asset Held for Sale	-	2,203	-	-
Cash and Cash Equivalents	335,488	225,036	110,063	22,445
Total Current Assets	1,304,649	1,035,616	262,056	149,271
Total Assets	2,407,957	1,963,604	997,065	322,828
EQUITY AND LIABILITIES				
Equity				
Share Capital	937,614	163,377	937,614	163,377
Retained Earnings	255,299	214,852	25,011	35,270
Other Reserves	(404,292)	134,363	-	-
Translation Reserve	(106,789)	(106,795)	-	-
Equity Attributable to Owners of the Parent	681,832	405,797	962,625	198,647
Non-Controlling Interests	317,868	291,136	-	-
Total Equity	999,700	696,933	962,625	198,647
Non-Current Liabilities				
Provisions	85,097	67,376	-	-
Deferred Tax Liabilities	15,211	11,663	-	-
Other Financial Liabilities	543,680	468,748	-	-
Other Liabilities	1,540	1,074	-	-
Trade and Other Payables	706	636	-	-
Total Non-Current Liabilities	646,234	549,497	-	-
Current Liabilities				
Income Tax Payable	8,934	8,475	710	395
Trade and Other Payables	224,936	190,168	6,230	2,557
Other Financial Liabilities	514,873	509,277	27,500	121,229
Other Liabilities	13,280	9,254	-	-
Total Current Liabilities	762,023	717,174	34,440	124,181
Total Liabilities	1,408,257	1,266,671	34,440	124,181
Total Equity and Liabilities	2,407,957	1,963,604	997,065	322,828

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

	As at 30/9/2014 US$'000	As at 31/12/2013 US$'000
Amount due within one year		
Secured	514,873	456,907
Unsecured	-	52,370
Total	514,873	509,277
Amount due more than one year		
Secured	202,742	129,067
Unsecured	340,938	339,681
Total	543,680	468,748

The secured borrowings are secured by property, plant and equipment, share certificates of certain subsidiaries, receivables, inventories and biological assets.

JAPFA LTD.

(Registration Number: 200819599W)

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.

	Jan - Sept	
	2014	2013
	US$'000	US$'000
Cash Flows From Operating Activities		
Profit Before Tax	88,968	116,400
Adjustment for:		
Amortisation of Intangible Assets	674	571
Amortisation of Land Use Rights	37	22
Depreciation of Property, Plant and Equipment and Investment Properties	45,517	40,300
Loss from Changes in Fair Value of Biological Assets	5,152	1,453
(Gain)/Loss from Changes in Fair Value of Marketable Securities	(566)	1,372
Gain on Disposal of Property, Plant and Equipment and Investment Properties	(193)	(398)
Gain on Disposal of Assets Held for Sale	(9,571)	-
Gain on Disposal of Investment in Subsidiary	(58)	-
Increase in Provision for Retirement Benefits	8,992	6,800
Interest Income	(2,812)	(2,127)
Interest Expense	62,417	47,201
Share Options Granted by Subsidiary	372	64
Share of Loss After Tax of Joint Venture	27	-
Net Effect of Exchange Rate Changes	8,043	(37,173)
Operating Cash Flows before Changes in Working Capital	206,999	174,485
Inventories	(90,286)	15,279
Biological Assets	(51,881)	(38,274)
Trade and Other Receivables	(17,477)	1,594
Other Assets	(26,757)	(46,902)
Trade and Other Payables	21,868	(14,980)
Employee Benefits Liability	1,329	(913)
Other Liabilities	9,546	966
Net Cash Flows From Operations	53,341	91,255
Income Taxes Paid	(32,566)	(33,529)
Net Cash Flows From Operating Activities	20,775	57,726

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)

	Jan – Sept	
	2014	2013
	US$'000	US$'000
Cash Flows From Investing Activities		
Acquisition of Subsidiaries	654	-
Purchase of Property, Plant and Equipment	(181,065)	(120,167)
Purchase of Investment Properties	-	(14)
Purchase of Intangible Assets	(1,376)	(686)
Purchase of Other Financial Assets	(18)	-
Proceeds from Disposal of Property, Plant and Equipment	8,174	5,709
Proceeds from Disposal of Investment in Other Financial Assets	246	-
Proceeds from Disposal of Assets Held for Sale	11,774	-
Proceeds from Disposal of Subsidiaries, net of cash disposed of	523	-
Addition to Investment in subsidiary	(51,109)	-
Addition to Investment in Joint Venture	(486)	-
Interest Received	2,812	2,127
Net Cash Flows Used in Investing Activities	(209,871)	(113,031)
Cash Flows From Financing Activities		
Dividends Paid by Subsidiary to Non-Controlling Interests	(3,692)	(9,087)
Increase/ (Decrease) in Other Financial Liabilities	131,641	(94,396)
Increase in Bonds	-	213,746
Cash Restricted in Use	(1,424)	2,357
Proceeds from Issue of New Shares	176,321	77,098
Proceeds from Issue of New Shares by Subsidiary to Non-Controlling Interests	14,952	2,766
Acquisition of Non-Controlling Interests Without Change in Control	(19,234)	-
Interest Paid	(62,417)	(47,201)
Issue of New Shares by Combining Entities under Restructuring Exercise	21,977	54,655
Net Movements in Shareholders' Loans	40,000	(77,145)
Net Cash Flows From Financing Activities	298,124	122,793
Net Increase in Cash and Cash Equivalents	109,028	67,488
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	221,360	153,007
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	330,388	220,495

Notes:

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

	Jan - Sept	
	2014	2013
	US$'000	US$'000
Cash and Bank Balances	335,488	222,478
Less: Bank Deposit Pledged	(5,100)	(1,983)
Cash and Cash Equivalents per Consolidated Statement of Cash Flows	330,388	220,495

JAPFA LTD.

(Registration Number: 200819599W)

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 2014	696,933	405,797	163,377	214,852	134,363	(106,795)	291,136
Movements in Equity:							
Total Comprehensive Income for the Period	67,971	40,453	-	40,447	-	6	27,518
Issue of New Shares by Subsidiary to Non-Controlling Interests Without a Change in Control	36,929	21,977	-	-	21,977	-	14,952
Non-Controlling interests arising from Acquisition of Subsidiary	2,159	-	-	-	-	-	2,159
Acquisition of Non-Controlling Interests Without Change in Control	(19,643)	(5,438)	-	-	(5,438)	-	(14,205)
Grant of Share Options	372	372	-	-	372	-	-
Issue of New Shares	774,237	774,237	774,237	-	-	-	-
Adjustment to Merger Reserves	(555,566)	(555,566)	-	-	(555,566)	-	-
Dividend Paid by Subsidiary to Non-Controlling Interests	(3,692)	-	-	-	-	-	(3,692)
Balance at 30 September 2014	999,700	681,832	937,614	255,299	(404,292)	(106,789)	317,868
Balance at 1 January 2013	599,856	329,621	86,279	172,361	96,279	(25,298)	270,235
Movements in Equity:							
Total Comprehensive Income/(Loss) for the Period	(2,899)	(13,024)	-	49,235	-	(62,259)	10,125
Issue of New Shares by Subsidiary to Non-Controlling Interests Without a Change in Control	2,766	-	-	-	-	-	2,766
Grant of Share Options	64	64	-	-	64	-	-
Issue of New Shares by Subsidiary	54,655	33,817	-	-	33,817	-	20,838
Issue of New Shares	77,098	77,098	77,098	-	-	-	-
Dividend Paid by Subsidiary to Non-Controlling Interests	(9,087)	-	-	-	-	-	(9,087)
Balance at 30 September 2013	722,453	427,576	163,377	221,596	130,160	(87,557)	294,877

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$'000	Attributable to Parent Sub-total US$'000	Share Capital US$'000	Retained Earnings US$'000
Balance at 1 January 2014	198,647	198,647	163,377	35,270
Movements in Equity:				
Total Comprehensive Loss for the Period	(10,259)	(10,259)	-	(10,259)
Issue of New Shares	774,237	774,237	774,237	-
Balance at 30 September 2014	962,625	962,625	937,614	25,011
Balance at 1 January 2013	118,453	118,453	86,279	32,174
Movements in Equity:				
Total Comprehensive Income for the Period	6,132	6,132	-	6,132
Issue of New Shares	77,098	77,098	77,098	-
Balance at 30 September 2013	201,683	201,683	163,377	38,306

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	
	3rd Quarter 2014	3rd Quarter 2013
Issued and fully paid ordinary shares:		
As at beginning of period	493,156,797	114,711,470
Issued during the period	1,271,513,594	94,256,082
As at end of period	1,764,670,391	208,967,552

On 31 July 2014, the Company implemented a share split of 3 shares for every existing share, thereby increasing the number of shares by 986,313,594 shares to 1,479,470,391 shares.

On 15 August 2014, the Company issued an aggregate of 248,000,000 shares in IPO. On 10 September 2014, pursuant to an Over-allotment option, the Company issued an aggregate of 37,200,000 additional shares.

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 30/9/2014	As at 31/12/2013
Number of issued shares	1,764,670,391	208,967,552

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 same accounting policies and methods of computation have been applied in these unaudited financial statements as those applied in the most recently audited financial statements as at 31 December 2013.

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.

Not applicable.

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.

	3rd Quarter		Jan - Sept	
	2014	2013	2014	2013
	US Cents	US Cents	US Cents	US Cents
Earnings per share for the year				
(a) Based on weighted average number of ordinary shares in issue	0.67	0.81	2.96	3.07
(b) Based on a fully diluted basis	0.67	0.81	2.96	3.07

	3rd Quarter		Jan - Sept	
	2014	2013	2014	2013
Weighted Average Number of Ordinary shares	1,615,466,043	1,479,470,391	1,525,300,428	1,479,470,391

The weighted average number of shares for 3rd Quarter 2013 and 9 months period ended 30 September 2013 is based on 1,479,470,391 shares (after adjusting for the share split describe in 1(d)(ii)).

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 30/9/2014	As at 31/12/2013	As at 30/9/2014	As at 31/12/2013
	US$	US$	US$	US$
Net asset value per share	0.39	0.27	0.55	0.13

The net asset value per share is based on 1,764,670,391 shares as at 30 September 2014 and 1,479,470,391 shares as at 31 December 2013 (after adjusting for the share split describe in 1(d)(ii)).

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

3Q 2014 vs 3Q 2013

The Group revenue increased by US$104.9 million from US$679.8 million in 3Q 2013 to US$784.7 million in 3Q 2014 due to an increase of US$80.5 million from the animal protein segment, US$19.4 million from the dairy segment and US$5.0 million from the consumer food segment.

In Indonesia, the increase in general wages in 2014 was not enough to compensate for the impact of the weaker Rupiah which depreciated by approximately 20% against the US Dollar in the second half year 2013. This has caused a weakening in the purchasing power of the low income consumer across Indonesia resulting in the downward pressure on the selling prices of day-old-chicks ("DOC") and broiler chickens in Indonesia. The Group gross profit decreased by US$20.8 million from US$144.3 million in 3Q 2013 to US$123.5 million in 3Q 2014. This decrease in gross profit was mainly due to the animal protein operations in Indonesia, which dropped by US$42.3 million.

The gross profit increased by US$13.1 million from the other animal protein operations and US$8.7 million from the dairy segment. The gross profit from the consumer food segment remained approximately the same as 3Q 2013.

Foreign exchange adjustments losses was US$3.3 million in 3Q 2014 and US$23.8 million in 3Q 2013. The relatively higher foreign exchange adjustments losses in 3Q 2013 was primarily due to the unrealised exchange losses on the US Dollar-Denominated Senior Notes due 2018 caused by the depreciation of Rupiah against the US dollar in the second half of 2013.

Marketing and distribution costs increased by US$3.2 million from US$25.2 million in 3Q 2013 to US$28.4 million in 3Q 2014 in line with the increase in sales in 2014.

Administrative expenses increased by US$7.3 million from US$44.4 million in 3Q 2013 to US$51.7 million in 3Q 2014 primarily due the one off expenses incurred from our IPO in 3Q 2014.

Finance costs increased by US$6.8 million from US$15.2 million in 3Q 2013 to US$22.0 million in 3Q 2014 was primarily due to an increase in borrowings, including the issuance of the US Dollar-Denominated Senior Notes Due 2018 in May 2013, and additional debt incurred by the dairy segment. In addition, there was an overall rise in the Indonesian bank loan interest rates from an average of 8.5% in 2013 to 11.25% in 2014.

The lower effective tax rate of 14.3% for 3Q 2014 as compared to 28.4% for 3Q 2013 was due to the increased income contribution from the dairy segment in China, which is exempt from corporate income tax.

As a result of the above factors, the Group recorded a lower profit after tax of US$14.6 million in 3Q 2014 as compared to US$25.8 million in 3Q 2013.

The profit attributable to owners of the parent was US$10.8 million in 3Q 2014 as compared to US$12.0 million in 3Q 2013. If we exclude the fair value changes of biological assets, the adjusted profit attributable to owners of the parent will be US$12.0 million in 3Q 2014 as compared to US$12.4 million in 3Q 2013.

9M 2014 vs 9M 2013

The Group revenue increased by US$184.4 million from US$2,057.7 million in 9M 2013 to US$2,242.1 million in 9M 2014 due to an increase of US$135.2 million from the animal protein segment, an increase of US$80.1 million from the dairy segment, partially offset by a decrease of US$30.9 million from the consumer food segment. The increase of revenue in the animal protein segment was generally due to volume increases across our operations in Indonesia, Vietnam and India. In addition, our new animal protein operations in Myanmar contributed US$57 million in revenue. The decrease in the consumer food segment revenue was mainly due to the depreciation of the average rate of Rupiah against US Dollar in 2014.

The Group gross profit decreased by US$25.7 million from US$406.2 million in 9M 2013 to US$380.5 million in 9M 2014. This decrease in gross profit was mainly due to the animal protein operations in Indonesia, which dropped by US$75.3 million. In second half year 2013, Rupiah depreciated by approximately 20% against the US Dollar.

In Indonesia, generally there was an oversupply of DOC arising from an increase in production volumes across the breeding industry. This was especially evident in the period after Hari Raya festivities, which led to a decline in DOC prices and a negative DOC gross profit margin for the Sept 2014 quarter. The DOC gross profit margin in 9M 2014 was approximately 15% compared to 35% for the 9M 2013. Average DOC prices decreased by approximately 10% while average feed cost increased by 9% compared to 2013. Although DOC volumes are up from last year, the revenue is lower due to the low DOC selling prices. Generally DOC prices are cyclical in nature, but this down-cycle in 2014 is seen to be far longer than normal. Similarly, the increase in feed selling price, due to the depreciation of Indonesian Rupiah against US Dollar has increased the input cost in the production of broilers. However, the selling price of broilers could not be increased due to the lower purchasing power. This caused a shrinkage in profit margin for commercial farming.

The increase in gross profit of US$28.7 million in the other animal protein operations was mainly due to the increase in profitability in Vietnam as well as contribution from our new business in Myanmar. The increase in gross profit of US$31.5 million in the dairy segment was mainly due to higher volumes of milk sold as we continue to roll out new dairy farms in Shandong, China. The decrease in gross profit of US$10.6 million in the consumer food segment was mainly due to weaker purchasing power of the low income consumer across Indonesia resulting in the downward pressure on the selling prices of our products.

Foreign exchange adjustments losses was US$3.5 million in 9M 2014 and US$23.7 million in 9M 2013. The relatively higher foreign exchange adjustments losses in 9M 2013 was primarily due to the unrealised exchange losses on the US Dollar-Denominated Senior Notes due 2018 caused by the depreciation of Rupiah against the US dollar in the second half of 2013.

Marketing and distribution costs increased by US$9.0 million from US$71.0 million in 9M 2013 to US$80.0 million in 9M 2014 in line with the increase in sales in 2014.

Administrative expenses increased by US$5.8 million from US$150.0 million in 9M 2013 to US$155.8 million in 9M 2014 primarily due the one off expenses incurred from our IPO in 2014.

Finance costs increased by US$15.2 million from US$47.2 million in 9M 2013 to US$62.4 million in 9M 2014 was primarily due to an increase in borrowings, including the issuance of the US Dollar-Denominated Senior Notes Due 2018 in May 2013, and additional debt incurred by the dairy segment. In addition, there was an overall rise in the Indonesian bank loan interest rates from an average of 8.5% in 2013 to 11.25% in 2014.

The Group lower effective tax rate of 14.9% for 9M 2014 as compared to 28.2% for 9M 2013 was due to the increased income contribution from the dairy segment in China, which is exempt from corporate income tax.

As a result of the above factors, the Group recorded a lower profit after tax of US$75.7 million in 9M 2014 as compared to US$83.6 million in 9M 2013.

The profit attributable to owners of the parent was US$45.1 million in 9M 2014 as compared to US$45.4 million in 9M 2013. If we exclude the fair value changes of biological assets, the adjusted profit attributable to owners of the parent will be US$47.3 million in 9M 2014 as compared to US$44.3 million in 9M 2013.

Review of financial position

The Group's non-current assets as at 30 September 2014 increased by US$175.3 million from US$928.0 million to US$1,103.3 million primarily due to increase of US$132.1 million in property, plant and equipment and US$40.0 million in biological assets. The increase in property, plant and equipment mainly due to spending on infrastructure, purchase of buildings, machinery, equipment and land rights for our animal protein segment in Indonesia and construction of dairy farms 4 and 5 in China. The increase in biological assets is mainly due to increase in number of the dairy cows in China.

The Group's current assets as at 30 September 2014 increased by US$269.0 million from US$1,035.6 million to US$1,304.6 million primarily due to increase of US$90.4 million in inventories and US$110.5 million in cash and cash equivalents. The increase in inventories is mainly due to quantities of raw material purchased and increase in cash and cash equivalents is mainly from IPO proceeds.

The Group's non-current liabilities as at 30 September 2014 increased by US$96.7 million from US$549.5 million to US$646.2 million primarily due to increase of US$75.0 million in other financial liabilities. The increase in other financial liabilities is mainly due to increase in bank borrowings to finance the capital expenditure of the consumer food segment in Indonesia and the dairy segment in China.

The Group's current liabilities as at 30 September 2014 increased by US$44.8 million from US$717.2 million to US$762.0 million primarily due to increase of US$34.7 million in trade and other payables. The increase in trade and other payables is in line with the growth of business.

The increase in Group's share capital from US$163.4 million to US$937.6 million was due to the issue of new shares for the acquisition of Austasia Investment Holdings Pte Ltd, the conversion of shareholders' loan as part of the pre-IPO reorganisation and the new shares issued in our IPO.

The decrease in Group's other reserves from positive reserves of US$134.4 million to negative reserves of US$404.3 million was due to the negative merger reserves arising from the excess of purchase consideration over the net assets acquired during the pre-IPO reorganisation.

Review of Group Cash Flow

The operating cash flows before changes in working capital was US$207.0 million in 9M 2014, compared to US$174.5 million in 9M 2013. Net cash flows from operating activities was US$20.8 million in 9M 2014, compared to US$57.7 million in 9M 2013, mainly due to higher operating cash flows, which were partially offset by working capital changes.

Net cash flows used in investing activities was US$209.9 million in 9M 2014, compared to US$113.0 million in 9M 2013. During the period, the Group made additions to property, plant and equipment of US$181.1 million, compared to US$120.2 million previously.

Net cash flows from financing activities was US$298.1 million in 9M 2014, compared to US$122.8 million in 9M 2013. This was mainly due to proceeds from IPO of US$176.3 million and net increase in bank borrowings for the Group of US$131.6 million in 9M 2014 as compared to net repayment of bank borrowings of US$94.4 million offset by the proceeds of the US Dollar-Denominated Senior Notes Due 2018 of US$213.7 million in 9M 2013.

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 to report the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group operates in emerging market economies which have compelling macro-economic fundamentals and significant potential for growth in protein food consumption over the long term. In the short term however, the effect of the Rupiah depreciation of approximately 20% against the US Dollar in 2013 is still being felt in 2014. The purchasing power of the low income consumer across Indonesia was caused by the weakening of the Rupiah which resulted in pressure on the selling prices of day-old-chicks and broiler chickens in Indonesia. In addition, factors such as the anticipated removal of fuel subsidy which may impact consumer purchasing power in Indonesia, may present risks and introduce greater volatility to consumption patterns.

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. Update on Use of IPO Proceeds

Further to the announcement made by the Board of Directors (the "Board") of the Company on 20 August 2014 in relation to the use of proceeds from the IPO of the Company, the Board wishes to provide a further update on the use of the IPO proceeds.

The Group has utilised US$5.5 million for the investment in our animal protein business in October 2014.

As at the date of this announcement, the net proceeds from the Company's initial public offering has been utilised as follows:

Use of IPO Proceeds	Estimated Amount US$'000	Amount Utilised US$'000	Balance US$'000
Investment in our China dairy business and the construction of a second five-farm hub in Inner Mongolia	90,000	-	90,000
Investment in our animal protein business in our target markets	14,000	5,500	8,500
Repayment or prepayment of borrowings, including the prepayment charges, of our Group	70,000	70,000	-
Total	174,000	75,500	98,500

15. 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 third quarter financial results for the period ended 30 September 2014 to be false or misleading in any material respect.

On behalf of the Board of Directors

Tan Yong Nang
Director

Kevin John Monteiro
Director

Singapore
6 November 2014