

JAPFA LTD
AND ITS SUBSIDIARIES

(Registration Number: 200819599W)

SGXNET ANNOUNCEMENT
UNAUDITED FINANCIAL STATEMENT
FOR THE THIRD QUARTER AND NINE MONTHS
ENDED 30 SEPTEMBER 2015

JAPFA LTD.

(Registration Number: 200819599W)

UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

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 - Sep		
	2015	2014	Change	2015	2014	Change
	US$'000	US$'000	%	US$'000	US$'000	%
Revenue	695,337	784,664	-11%	2,075,265	2,242,086	-7%
Cost of Sales	(556,965)	(661,176)	-16%	(1,707,725)	(1,861,551)	-8%
Gross Profit	138,372	123,488	12%	367,540	380,535	-3%
Marketing and Distribution Costs	(26,019)	(28,384)	-8%	(80,787)	(80,006)	1%
Administrative Expenses	(46,528)	(51,651)	-10%	(145,371)	(155,753)	-7%
Operating Profit	65,825	43,453	51%	141,382	144,776	-2%
Interest Income	490	711	-31%	1,939	2,812	-31%
Gain on Disposal of Asset Held for Sale	-	-	0%	-	9,571	-100%
Finance Costs	(17,673)	(22,013)	-20%	(53,996)	(62,417)	-13%
Other Gains, Net	7,861	102	7607%	9,702	2,878	237%
Share of results of Joint Ventures	(172)	(27)	537%	(627)	(27)	2222%
Profit Before Foreign Exchange Adjustments and Changes in Fair Value of Biological Assets	**56,331**	**22,226**	153%	**98,400**	**97,593**	1%
Foreign Exchange Adjustments Losses	(28,912)	(3,331)	768%	(48,807)	(3,473)	1305%
Loss from Changes in Fair Value of Biological Assets	(9,277)	(1,812)	412%	(19,392)	(5,152)	276%
Profit Before Tax from Continuing Operations	18,142	17,083	6%	30,201	88,968	-66%
Income Tax Expense	(7,726)	(2,441)	217%	(13,368)	(13,298)	1%
Profit from Continuing Operations, Net of Tax	10,416	14,642	-29%	16,833	75,670	-78%
Profit Attributable to Owners of the Parent, Net of Tax*	**7,988**	**10,774**	-26%	**17,949**	**45,144**	-60%
Profit/(Loss) Attributable to Non-Controlling Interests, Net of Tax	2,428	3,868	-37%	(1,116)	30,526	-104
Profit, Net of Tax	10,416	14,642	-29%	16,833	75,670	-78%

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 ("**Core PATMI**")	14,081	12,034	17%	29,998	41,403	-28%

* 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 a one-off gain from the disposal of asset held for sale (attributable to owners of the parent, net of tax) in 2Q 2014.

EBITDA	89,733	59,009	52%	202,494	202,823	0%

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 :

	3rd Quarter			Jan - Sep		
	2015 US$'000	2014 US$'000	Change %	2015 US$'000	2014 US$'000	Change %
Finance Costs	(17,673)	(22,013)	-20%	(53,996)	(62,417)	-13%
Foreign Exchange Adjustments Losses	(28,912)	(3,331)	768%	(48,807)	(3,473)	1305%
Depreciation of Property, Plant and Equipment and Investment Properties	(18,020)	(15,541)	16%	(53,628)	(45,517)	18%
Amortisation of Intangible Assets	(289)	(204)	42%	(974)	(674)	45%
Interest Income	490	711	-31%	1,939	2,812	-31%
Loss from Changes in Fair Value of Biological Assets	(9,277)	(1,812)	412%	(19,392)	(5,152)	276%
Gain from Changes in Fair Value of Financial Assets	2,090	264	692%	2,565	566	353%
Gain on Disposal of Property, Plant and Equipment and Investment Properties	19	159	-88%	276	326	-15%
Gain on Disposal of Asset Held for Sale	-	-	0%	-	9,571	-100%

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.

	3rd Quarter			Jan - Sep		
	2015 US$'000	2014 US$'000	Change %	2015 US$'000	2014 US$'000	Change %
Profit from Continuing Operations, Net of Tax	10,416	14,642	-29%	16,833	75,670	-78%
Other Comprehensive (Loss)/Income:						
Items that will not be reclassified to profit or loss:						
Remeasurement of the Net Defined Benefits Plan, Net of Tax	(42)	(45)	-7%	(701)	(7,805)	-91%
Items that may be reclassified subsequently to profit or loss:						
Exchange Differences on Translating Foreign Operations, Net of Tax	(61,445)	(14,381)	327%	(98,633)	106	-93150%
Other Comprehensive Loss for the Period, Net of Tax	(61,487)	(14,426)	326%	(99,334)	(7,699)	1190%
Total Comprehensive (Loss)/Income	(51,071)	216	-23744%	(82,501)	67,971	-221%
Total Comprehensive (Loss)/Income Attributable to Owners of Parent, Net of Tax	(33,752)	(3,574)	844%	(49,065)	40,453	-221%
Total Comprehensive (Loss)/Income Attributable to Non-Controlling Interests, Net of Tax	(17,319)	3,790	-557%	(33,436)	27,518	-222%
Total Comprehensive (Loss)/Income	(51,071)	216	-23744%	(82,501)	67,971	-221%

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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 30/9/2015	As at 31/12/2014	As at 30/9/2015	As at 31/12/2014
	US$'000	US$'000	US$'000	US$'000
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	766,710	833,758	480	657
Investment Properties	892	2,670	-	-
Intangible Assets	8,273	9,440	-	-
Biological Assets	263,384	260,289	-	-
Investments in Subsidiaries	-	-	785,038	774,726
Investment in Joint Ventures	3,519	3,054	-	-
Deferred Tax Assets	15,060	16,190	-	-
Other Receivables	342	367	-	-
Other Assets	10,190	17,579	-	-
Total Non-Current Assets	1,068,370	1,143,347	785,518	775,383
Current Assets				
Inventories	510,524	598,118	-	-
Biological Assets	51,359	62,393	-	-
Trade and Other Receivables	135,065	150,616	151,341	148,118
Other Financial Assets	5,412	2,849	5,397	2,831
Other Assets	114,596	83,026	65	314
Cash and Cash Equivalents	203,250	286,661	45,177	87,683
Total Current Assets	1,020,206	1,183,663	201,980	238,946
Total Assets	2,088,576	2,327,010	987,498	1,014,329
EQUITY AND LIABILITIES				
Equity				
Share Capital	937,614	937,614	937,614	937,614
Retained Earnings	256,188	238,601	25,146	22,029
Other Reserves	(399,698)	(398,931)	-	-
Translation Reserve	(182,068)	(115,416)	-	-
Equity Attributable to Owners of the Parent	612,036	661,868	962,760	959,643
Non-Controlling Interests	300,236	332,406	-	-
Total Equity	912,272	994,274	962,760	959,643
Non-Current Liabilities				
Provisions	72,991	81,316	-	-
Deferred Tax Liabilities	6,115	7,317	-	-
Trade and Other Payables	510	352	-	-
Other Financial Liabilities	501,769	506,878	-	-
Other Liabilities	3,141	2,408	-	-
Total Non-Current Liabilities	584,526	598,271	-	-
Current Liabilities				
Income Tax Payable	12,871	7,885	884	828
Trade and Other Payables	210,446	233,129	2,104	27,608
Other Financial Liabilities	362,483	485,693	21,750	26,250
Other Liabilities	5,978	7,758	-	-
Total Current Liabilities	591,778	734,465	24,738	54,686
Total Liabilities	1,176,304	1,332,736	24,738	54,686
Total Equity and Liabilities	2,088,576	2,327,010	987,498	1,014,329

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

	As at 30/9/2015 US$'000	As at 31/12/2014 US$'000
Amount due within one year		
Secured	362,483	485,693
Total	362,483	485,693
Amount due more than one year		
Secured	197,317	166,583
Unsecured	304,452	340,295
Total	501,769	506,878

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.

1 (b) (iii) Rule 704(31) and Rule 728 of the Listing Manual.

The Company's consumer subsidiaries in Indonesia, held through Jupiter Foods Pte Ltd, PT So Good Food ("PT SGF") and PT So Good Food Manufacturing ("PT SGFM") (collectively the "Debtors") have entered into facility agreement with PT Bank Central Asia Tbk ("BCA") ("Facility Agreement") effective 30 October 2015 for (a) a working capital facility of up to IDR 275billion (with sub limit of IDR 100 billion for PT SGFM), and (b) an investment term loan facility of up to IDR 600billion.

The Facility Agreement contains a prohibition against change of control of the Debtors, Jupiter Foods Pte Ltd and Company, tied to the Santosa Family. The English translation of the restriction in control provision is as follows:

"Unless Bank BCA determine otherwise, the Debtors are obliged to sure that:

(i) The Santosa Family shall maintain its shareholding in Japfa Ltd of more than 50% (fifty percent);
(ii) Japfa Ltd shall maintain its shareholding in Jupiter Foods Pte Ltd of more than 50% ;
(iii) Jupiter Foods Pte Ltd shall maintain its shareholding, directly and indirectly in the Debtors of more than 99% ,

therefore: the Santosa Family, through Jupiter Foods Pte Ltd may resolve all matters based on the articles of association of the Debtors in accordance with the majority voting rights owned by them in the Debtors and can determine the Board of Directors and Board of Commissioners of the Debtors".

The aggregate amount of facilities subject to this covenant is about IDR 875 billion.

The Facility Agreement is intended to replace the former loans with PT SGF from PT Rabobank Indonesia in respect of which there were also change of control provisions relating to the Santosa Family as disclosed in our Prospectus dated 7 August 2014.

In compliance with Rule 728 of the Listing Manual of the SGX-ST, the Company had on 29 July 2014 obtained an undertaking from its controlling shareholders Mr. Handojo Santosa and Ms. Rachel Anastasia Kolonas to notify the Company as soon as he or she becomes aware, of any share pledging arrangements by the Scuderia Trust and the Capital Two Trust (directly and/or indirectly) respectively and of any event which may result in a breach of the provisions under the then existing or any future banking facilities, where the shareholdings of the Controlling Shareholders are referenced.

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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.

	Jan - Sep	
	2015	2014
	US$'000	US$'000
Cash Flows From Operating Activities		
Profit Before Tax	30,201	88,968
Adjustment for:		
Amortisation of Intangible Assets	974	674
Amortisation of Land Use Rights	18	37
Depreciation of Property, Plant and Equipment and Investment Properties	53,628	45,517
Loss from Changes in Fair Value of Biological Assets	19,392	5,152
Gain from Changes in Fair Value of Derivative Financial Instrument	140	-
Gain from Changes in Fair Value of Financial Assets	(2,565)	(566)
Gain on Disposal of Property, Plant and Equipment and Investment Properties	(276)	(326)
Gain on Disposal of Assets Held for Sale	-	(9,571)
Gain on Disposal of Investment in Subsidiary	-	(58)
Gain on Buyback of Bonds Payable	(5,126)	-
Increase in Provision for Retirement Benefits	6,890	8,992
Interest Income	(1,939)	(2,812)
Interest Expense	53,996	62,417
Share Options Granted by Subsidiary	380	372
Share of Loss from Equity-Accounted Joint Ventures	627	27
Write-off of Property, Plant and Equipment	4	133
Net Effect of Exchange Rate Changes	9,653	8,904
Operating Cash Flows before Changes in Working Capital	165,997	207,860
Inventories	87,594	(90,286)
Biological Assets	(25,013)	(34,463)
Trade and Other Receivables	15,576	(17,477)
Other Assets	(24,808)	(26,757)
Trade and Other Payables	(13,582)	21,868
Provisions	(2,704)	1,329
Other Liabilities	(1,048)	9,546
Net Cash Flows From Operations	202,012	71,620
Income Taxes Paid	(9,524)	(32,566)
Net Cash Flows From Operating Activities	192,488	39,054
Cash Flows From Investing Activities		
Acquisition of Subsidiaries (Net of Cash Acquired)	6	654
Purchase of Property, Plant and Equipment	(95,171)	(181,065)
Purchase of Intangible Assets	(1,022)	(1,376)
Purchase of Other Financial Assets	-	(18)
Purchase of Biological Assets	(14,086)	(17,418)
Proceeds from Disposal of Property, Plant and Equipment	1,187	8,174
Proceeds from Disposal of Investment in Other Financial Assets	-	246
Proceeds from Disposal of Asset 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	(1,425)	(486)
Interest Received	1,939	2,812
Net Cash Flows Used in Investing Activities	(108,572)	(227,289)

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 - Sep	
	2015	2014
	US$'000	US$'000
Cash Flows From Financing Activities		
Dividends Paid by Subsidiary to Non-Controlling Interests	-	(3,692)
Decrease in Other Financial Liabilities	(145,126)	(16,331)
Increase from New Bank Loans	52,510	147,972
Cash Restricted in Use	2,029	(1,424)
Buyback of Bonds Payable	(12,500)	-
Proceeds from Issue of New Shares	-	176,321
Proceeds from Issue of New Shares by Subsidiary to Non-Controlling Interests	5,804	14,952
Acquisition of Non-Controlling Interests Without Change in Control	(5,700)	(19,234)
Interest Paid	(53,996)	(62,417)
Issue of New Shares by Combining Entities under Restructuring Exercise	-	21,977
Net Movements in Shareholders' Loans	-	40,000
Net Cash Flows (Used in)/From Financing Activities	(156,979)	298,124
Net (Decrease)/Increase in Cash and Cash Equivalents	(73,063)	109,889
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(8,319)	(861)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	281,192	221,360
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	199,810	330,388

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

	Jan - Sep	
	2015	2014
	US$'000	US$'000
Cash and Bank Balances	203,250	335,488
Less: Bank Deposit Pledged	(3,440)	(5,100)
Cash and Cash Equivalents per Consolidated Statement of Cash Flows	199,810	330,388

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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 2015	994,274	661,868	937,614	238,601	(398,931)	(115,416)	332,406
Movements in Equity:							
Total Comprehensive (Loss)/Income for the Period	(82,501)	(49,065)	-	17,587	-	(66,652)	(33,436)
Issue of New Shares by Subsidiary to Non-Controlling Interests							
Without a Change in Control	5,804	-	-	-	-	-	5,804
Acquisition of Non-Controlling Interests Without Change in Control	(5,700)	(1,147)	-	-	(1,147)	-	(4,553)
Grant of Share Options	380	380	-	-	380	-	-
Non-Controlling Interests arising from Acquisition of Subsidiary	15	-	-	-	-	-	15
Balance at 30 September 2015	912,272	612,036	937,614	256,188	(399,698)	(182,068)	300,236
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

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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. (Cont'd)

Company	Total Equity US$'000	Share Capital US$'000	Retained Earnings US$'000
Balance at 1 January 2015	959,643	937,614	22,029
Movements in Equity:			
Total Comprehensive Income for the Period	3,117	-	3,117
Balance at 30 September 2015	962,760	937,614	25,146
Balance at 1 January 2014	198,647	163,377	35,270
Movements in Equity:			
Total Comprehensive Loss for the Period	(10,259)	-	(10,259)
Issue of New Shares	774,237	774,237	-
Balance at 30 September 2014	962,625	937,614	25,011

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 to 30/9/2015	3rd Quarter to 30/9/2014
Issued and fully paid ordinary shares:		
As at beginning of period	1,764,670,391	493,156,797
Issued during the period	-	1,271,513,594
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 30/9/2015	As at 30/9/2014
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.

1 (d) (v) Rule 704(18)(a) of the Listing Manual requires SGX-ST listed companies to announce any sale of shares resulting in the listed company holding less than ten per cent (10%) of the total number of issued shares excluding treasury shares of a quoted company.

The Company has disposed of certain shares of a Sri Lanka company quoted on the Colombo Exchange ("Investment Securities") resulting in the Company's shareholding dropping from 10.09% to 9.91%. The transaction value was less than US$100,000 and the total initial cost of the Investment Securities was US$1,673,620. The sale of Investment Securities is not expected to have a material effect on the net tangible assets per share or earnings per share of the Group for the current financial year.

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 computation applied by the Group are consistent with those used in its audited financial statements as at 31 December 2014 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 2015, 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 periods.

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 - Sep	
	2015	2014	2015	2014
	US Cents	US Cents	US Cents	US Cents
Earnings per share for the period				
(a) Based on weighted average number of ordinary shares in issue	0.45	0.67	1.02	2.96
(b) Based on a fully diluted basis	0.45	0.67	1.02	2.96
Weighted Average Number of Ordinary Shares	1,764,670,391	1,615,466,043	1,764,670,391	1,525,300,428

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 30/9/2015	As at 31/12/2014	As at 30/9/2015	As at 31/12/2014
	US$	US$	US$	US$
Net asset value per ordinary share	0.35	0.38	0.55	0.54

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

3Q 2015 vs 3Q 2014

Revenue

	3rd Quarter 2015	3rd Quarter 2014	Variance
	US$'000	US$'000	US$'000
Animal Protein	583,715	669,095	(85,380)
Dairy	64,266	59,395	4,871
Consumer Food	47,356	55,895	(8,539)
Others	-	279	(279)
Total	695,337	784,664	(89,327)

The decrease in revenue was mainly from the Indonesian operations in the animal protein and consumer food segments due to depreciation of the Indonesia Rupiah against the US Dollar which resulted in a lower US dollar equivalent. This has been compensated by an increase in the revenue from the Vietnam operations in the animal protein segment, as well as dairy operations in China.

Operating Profit

	3rd Quarter 2015	3rd Quarter 2014	Variance
	US$'000	US$'000	US$'000
Animal Protein	56,704	32,795	23,909
Dairy	7,247	11,534	(4,287)
Consumer Food	977	2,260	(1,283)
Others	897	(3,136)	4,033
Total	65,825	43,453	22,372

The Group operating profit increased by US$22.4 million from US$43.5 million in 3Q 2014 to US$65.8 million in 3Q 2015. This increase in operating profit was contributed by the strong performance of animal protein operations in Indonesia in 3Q 2015 because of improvements in profit margin. Operating profit for the dairy segment generated US$7.2 million despite milk prices having fallen in 3Q 2015 as compared to higher milk prices in 3Q 2014. This was because of an increase in milk volumes and improved milk yields.

The "Profit Before Foreign Exchange Adjustments and Changes in Fair Value of Biological Assets" was US$56.3 million in 3Q 2015 as compared to US$22.2 million in 3Q 2014.

Foreign exchange adjustments losses were US$28.9 million in 3Q 2015 as compared to US$3.3 million in 3Q 2014. The foreign exchange adjustments losses in 3Q 2015 were primarily due to the unrealised exchange losses on the US Dollar-Denominated Senior Notes (Due 2018) caused by the 10% depreciation of the Indonesia Rupiah against the US Dollar.

Loss from changes in fair value of biological assets was US$9.3 million in 3Q 2015 as compared to US$1.8 million in 3Q 2014. The loss from changes in fair value of biological assets in 3Q 2015 was mainly due to lower raw milk prices and global benchmark prices for heifer as at the end of 3Q 2015, which affected the valuation.

As a result of the above, the Group recorded a profit after tax of US$10.4 million in 3Q 2015 as compared to US$14.6 million in 3Q 2014.

The profit attributable to owners of the parent was US$8.0 million in 3Q 2015 and US$10.8 million in 3Q 2014. If we exclude the fair value changes of biological assets, the adjusted profit attributable to owners of the parent ("Core PATMI") will be US$14.1 million in 3Q 2015 as compared to US$12.0 million in 3Q 2014.

9M 2015 vs 9M 2014

Revenue

	Jan - Sep 2015	Jan - Sep 2014	Variance
	US$'000	US$'000	US$'000
Animal Protein	1,752,211	1,914,057	(161,846)
Dairy	188,100	165,575	22,525
Consumer Food	134,954	153,918	(18,964)
Others	-	8,536	(8,536)
Total	2,075,265	2,242,086	(166,821)

The decrease in revenue was mainly from the Indonesian operations in the animal protein and consumer food segments due to depreciation of the Indonesia Rupiah against the US Dollar which resulted in a lower US dollar equivalent. This has been compensated by an increase in the revenue from the Vietnam operations in the animal protein segment, as well as dairy operations in China.

Operating Profit

	Jan - Sep 2015	Jan - Sep 2014	Variance
	US$'000	US$'000	US$'000
Animal Protein	103,035	106,167	(3,132)
Dairy	31,931	43,752	(11,821)
Consumer Food	4,090	2,250	1,840
Others	2,326	(7,393)	9,719
Total	141,382	144,776	(3,394)

The Group operating profit decreased by US$3.4 million from US$144.8 million in 9M 2014 to US$141.4 million in 9M 2015. This decrease in operating profit was mainly due to dairy operations in China. Operating profit for the dairy segment generated US$31.9 million despite milk prices having fallen in 9M 2015 as compared to higher milk prices in 9M 2014. This was because of an increase in milk volumes and improved milk yields.

The "Profit Before Foreign Exchange Adjustments and Changes in Fair Value of Biological Assets" was US$98.4 million in 9M 2015 as compared to US$97.6 million in 9M 2014.

Foreign exchange adjustments losses were US$48.8 million in 9M 2015 as compared to US$3.5 million in 9M 2014. The foreign exchange adjustments losses in 9M 2015 were primarily due to the unrealised exchange losses on the US Dollar-Denominated Senior Notes (Due 2018) caused by the 18% depreciation of the Indonesia Rupiah against the US Dollar.

Loss from changes in fair value of biological assets was US$19.4 million in 9M 2015 as compared to US$5.2 million in 9M 2014. The loss from changes in fair value of biological assets in 9M 2015 was mainly from the China dairy cattle. This is mainly due to lower raw milk prices and global benchmark prices for heifer as at the end of 3Q 2015, which affected the valuation.

In 9M 2014, there was a one-off gain of US$9.6 million from the disposal of an asset held for sale (property in Kallang, Singapore) in the dairy segment.

As a result of the above, the Group recorded a profit after tax of US$16.8 million in 9M 2015 as compared to US$75.7 million in 9M 2014.

The profit attributable to owners of the parent was US$18.0 million in 9M 2015 and US$45.1 million in 9M 2014. If we exclude the fair value changes of biological assets and one-off gain from the disposal of assets held for sale in 9M 2014, the adjusted profit attributable to owners of the parent ("Core PATMI") will be US$57.8 million in 9M 2015 as compared to US$43.6 million in 9M 2014.

Review of Financial Position

The Group's total assets as at 30 September 2015 decreased by US$238.4 million from US$2,327.0 million to US$2,088.6 million primarily due to decrease of US$67.0 million in property, plant and equipment, US$87.6 million in inventories and US$83.4 million in cash and cash equivalents. The decrease in property, plant and equipment and inventories was mainly due to animal protein operations in Indonesia caused by the depreciation of the Indonesia Rupiah against the US Dollar which resulted in a lower US Dollar equivalent. The decrease in cash and cash equivalents was mainly due to use of IPO proceeds and construction of farm 6 in dairy China.

The Group's total liabilities as at 30 September 2015 decreased by US$156.4 million from US$1,332.7 million to US$1,176.3 million primarily due to decrease of US$128.3 million in other financial liabilities. The decrease in other financial liabilities was mainly due to repayment of bank borrowings and buyback of US Dollar-Denominated Senior Notes (Due 2018).

The increase in Group's translation reserves of US$66.7 million as at 30 September 2015 was mainly due to translation loss caused by the depreciation of the Indonesia Rupiah against the US Dollar.

Review of Group Cash Flow

Net cash flows from operating activities were US$192.5 million in 9M 2015, which mainly arose from operating cash flows before changes in working capital of US$166.0 million, changes in working capital of US$36.0 million and income tax paid of US$9.5 million.

Net cash flows used in investing activities were US$108.6 million in 9M 2015 mainly represented by the purchase of property, plant and equipment of US$95.2 million.

Net cash flows used in financing activities were US$157.0 million in 9M 2015 mainly arose from decrease in other financial liabilities of US$145.1 million, interest paid of US$54.0 million and consideration paid for the acquisition of non-controlling interests of US$5.7 million and partially offset by drawing of new bank loans of US$52.5 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 near term, the ongoing market challenges in Indonesia, including the oversupply of day-old chicks and broiler chickens, the depreciation of the Indonesian Rupiah and the lower purchasing power of consumers, are expected to persist.

Nonetheless, the Group believes that PT Japfa Comfeed Indonesia Tbk ("PT Japfa Tbk")'s competitive advantage remains intact, backed by 40 years of experience in the poultry business. Since the last quarter of 2014, the Group has been reducing capital expenditure and scaling back on day-old chick production in Indonesia, while focusing on improving operational efficiency and profitability.

To address the over-supply situation in the poultry industry, 12 poultry companies, including PT Japfa Tbk, have agreed to a culling of six million poultry parent stock under a supply reduction programme initiated by the Director General of Livestock and Animal Husbandry in Indonesia.

Moving forward, other factors that would impact the Group's performance are the macro-economic performance of the countries it operates in, mainly Indonesia and China. In view of the slowdown of the China economy, the raw milk prices in China are expected to remain sluggish in the near term.

In spite of these headwinds, the Group believes its long-term fundamentals remain favourable across all geographies because of the low protein consumption of the large population base in these countries. The Group also believes its diversified business strategy and its track record in replicating its industrialized and scalable business will enable it to sustain its long-term growth momentum across all geographies.

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 third quarter financial results for the period ended 30 September 2015 to be false or misleading in any material respect.

On behalf of the Board of Directors

By Order of the Board
Japfa Ltd

Tan Yong Nang
Executive Director and
Chief Executive Officer
30 October 2015