



JAPFA LTD
AND ITS SUBSIDIARIES

(Registration Number: 200819599W)

SGXNET ANNOUNCEMENT
UNAUDITED FINANCIAL STATEMENT
FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2016

JAPFA LTD.

(Registration Number: 200819599W)

UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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

| | 3rd Quarter | | | Jan - Sep | | |
|--|----------------|---------------|-------------|----------------|---------------|-------------|
| | 2016 | 2015 | | 2016 | 2015 | |
| | US\$'000 | US\$'000 | Change | US\$'000 | US\$'000 | Change |
| Revenue | 787,961 | 695,337 | 13% | 2,287,675 | 2,075,265 | 10% |
| Cost of Sales | (600,662) | (556,965) | 8% | (1,763,544) | (1,707,725) | 3% |
| Gross Profit | 187,299 | 138,372 | 35% | 524,131 | 367,540 | 43% |
| Marketing and Distribution Costs | (29,085) | (26,019) | 12% | (89,462) | (80,787) | 11% |
| Administrative Expenses | (52,811) | (46,528) | 14% | (166,307) | (145,371) | 14% |
| Operating Profit | 105,403 | 65,825 | 60% | 268,362 | 141,382 | 90% |
| Interest Income | 853 | 490 | 74% | 2,047 | 1,939 | 6% |
| Finance Costs | (14,742) | (17,673) | -17% | (46,487) | (53,996) | -14% |
| Other Gains, Net | 4,307 | 7,861 | -45% | 8,261 | 9,702 | -15% |
| Share of results of Joint Ventures | 27 | (172) | n/m | (172) | (627) | -73% |
| Profit Before Foreign Exchange Adjustments and Changes in Fair Value of Biological Assets | 95,848 | 56,331 | 70% | 232,011 | 98,400 | 136% |
| Foreign Exchange Adjustments Gains/(Losses) | 1,611 | (28,912) | n/m | 6,576 | (48,807) | n/m |
| Gain/(Loss) from Changes in Fair Value of Biological Assets | 5,746 | (9,277) | n/m | (6,663) | (19,392) | -66% |
| Profit Before Tax from Continuing Operations | 103,205 | 18,142 | 469% | 231,924 | 30,201 | 668% |
| Income Tax Expense | (24,187) | (7,726) | 213% | (46,208) | (13,368) | 246% |
| Profit from Continuing Operations, Net of Tax | 79,018 | 10,416 | 659% | 185,716 | 16,833 | n/m |
| Profit Attributable to Owners of the Parent, Net of Tax* | 48,020 | 7,988 | 501% | 116,046 | 17,949 | 547% |
| Profit/(Loss) Attributable to Non-Controlling Interests, Net of Tax | 30,998 | 2,428 | n/m | 69,670 | (1,116) | n/m |
| Profit, Net of Tax | 79,018 | 10,416 | 659% | 185,716 | 16,833 | n/m |

n/m : not meaningful

Additional information:

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

| | | | | | | |
|----------------------|---------------|---------------|-----|----------------|---------------|------|
| Core PATMI w/o forex | <u>42,035</u> | <u>27,863</u> | 51% | <u>114,606</u> | <u>54,845</u> | 109% |
|----------------------|---------------|---------------|-----|----------------|---------------|------|

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

We define Core PATMI w/o forex is an estimate derived from Core PATMI by excluding foreign exchange gains/losses (before tax) attributable to the owners of the parent. As the majority of the foreign exchange gains/losses are unrealised and arises from the translation of USD bonds from a subsidiary in Indonesia, which has no tax implication, we have not made an estimate of the tax impact on foreign exchange gains/losses.

| | | | | | | |
|--------|----------------|---------------|-----|----------------|----------------|-----|
| EBITDA | <u>130,558</u> | <u>89,733</u> | 46% | <u>339,781</u> | <u>202,494</u> | 68% |
|--------|----------------|---------------|-----|----------------|----------------|-----|

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.

JAPFA LTD.

(Registration Number: 200819599W)

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

| | 3rd Quarter | | | Jan - Sep | | |
|--|------------------|------------------|--------|------------------|------------------|--------|
| | 2016 US\$'000 | 2015 US\$'000 | Change | 2016 US\$'000 | 2015 US\$'000 | Change |
| Finance Costs | (14,742) | (17,673) | -17% | (46,487) | (53,996) | -14% |
| Foreign Exchange Adjustments Gains/(Losses) | 1,611 | (28,912) | n/m | 6,576 | (48,807) | n/m |
| Depreciation of Property, Plant and Equipment and Investment Properties | (20,722) | (18,020) | 15% | (61,898) | (53,628) | 15% |
| Amortisation of Intangible Assets | (325) | (289) | 12% | (957) | (974) | -2% |
| Interest Income | 853 | 490 | 74% | 2,047 | 1,939 | 6% |
| Gain/(Loss) from Changes in Fair Value of Biological Assets | 5,746 | (9,277) | n/m | (6,663) | (19,392) | -66% |
| Gain/(Loss) from Changes in Fair Value of Financial Assets | 226 | 2,090 | -89% | (473) | 2,565 | n/m |
| Gain/(Loss) on Disposal of Property, Plant and Equipment and Investment Properties | 106 | 19 | 458% | (131) | 276 | n/m |
| Gain on Disposal of Asset Held for Sale | 3,519 | - | n/m | 3,519 | - | 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

| | 3rd Quarter | | | Jan - Sep | | |
|---|------------------|------------------|--------|------------------|------------------|--------|
| | 2016 US\$'000 | 2015 US\$'000 | Change | 2016 US\$'000 | 2015 US\$'000 | Change |
| Profit from Continuing Operations, Net of Tax | 79,018 | 10,416 | 659% | 185,716 | 16,833 | n/m |
| <u>Other Comprehensive Income/(Loss):</u> | | | | | | |
| Items that will not be reclassified to profit or loss: | | | | | | |
| Remeasurement of the Net Defined Benefits Plan, Net of Tax | (2,481) | (42) | n/m | (12,647) | (701) | n/m |
| Items that may be reclassified subsequently to profit or loss: | | | | | | |
| Exchange Differences on Translating Foreign Operations, Net of Tax | 4,212 | (61,445) | n/m | 28,813 | (98,633) | n/m |
| Other Comprehensive Income/(Loss) for the Period, Net of Tax | 1,731 | (61,487) | n/m | 16,166 | (99,334) | n/m |
| Total Comprehensive Income/(Loss) | 80,749 | (51,071) | n/m | 201,882 | (82,501) | n/m |
| Total Comprehensive Income/(Loss) | | | | | | |
| Attributable to Owners of Parent, Net of Tax | 47,697 | (33,752) | n/m | 127,506 | (49,065) | n/m |
| Total Comprehensive Income/(Loss) | | | | | | |
| Attributable to Non-Controlling Interests, Net of Tax | 33,052 | (17,319) | n/m | 74,376 | (33,436) | n/m |
| Total Comprehensive Income/(Loss) | 80,749 | (51,071) | n/m | 201,882 | (82,501) | n/m |

n/m : not meaningful

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 30/9/2016 | As at 31/12/2015 | As at 30/9/2016 | As at 31/12/2015 |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| ASSETS | | | | |
| <u>Non-Current Assets</u> | | | | |
| Property, Plant and Equipment | 885,083 | 834,952 | 229 | 416 |
| Investment Properties | 10,748 | 924 | - | - |
| Intangible Assets | 8,654 | 8,525 | - | - |
| Biological Assets | 309,569 | 290,064 | - | - |
| Investments in Subsidiaries | - | - | 940,400 | 790,075 |
| Investment in Joint Ventures | 4,134 | 3,476 | - | - |
| Deferred Tax Assets | 12,410 | 12,729 | - | - |
| Other Receivables | 1,952 | 349 | - | - |
| Other Assets | 11,867 | 15,065 | - | - |
| Total Non-Current Assets | 1,244,417 | 1,166,084 | 940,629 | 790,491 |
| <u>Current Assets</u> | | | | |
| Inventories | 661,450 | 609,437 | - | - |
| Biological Assets | 61,236 | 51,917 | - | - |
| Trade and Other Receivables | 163,461 | 132,381 | 51,504 | 177,177 |
| Other Financial Assets | 8,907 | 9,529 | 547 | 4,092 |
| Other Assets | 107,956 | 95,304 | 71 | 58 |
| Cash and Cash Equivalents | 184,052 | 147,935 | 3,221 | 14,258 |
| Total Current Assets | 1,187,062 | 1,046,503 | 55,343 | 195,585 |
| Total Assets | 2,431,479 | 2,212,587 | 995,972 | 986,076 |
| EQUITY AND LIABILITIES | | | | |
| <u>Equity</u> | | | | |
| Share Capital | 937,614 | 937,614 | 937,614 | 937,614 |
| Retained Earnings | 403,636 | 301,022 | 56,449 | 26,093 |
| Other Reserves | (379,238) | (396,315) | - | - |
| Translation Reserve | (153,348) | (171,776) | - | - |
| Equity Attributable to Owners of the Parent | 808,664 | 670,545 | 994,063 | 963,707 |
| Non-Controlling Interests | 469,246 | 338,071 | - | - |
| Total Equity | 1,277,910 | 1,008,616 | 994,063 | 963,707 |
| <u>Non-Current Liabilities</u> | | | | |
| Provisions | 99,399 | 74,801 | - | - |
| Deferred Tax Liabilities | 4,642 | 4,512 | - | - |
| Trade and Other Payables | 975 | 642 | - | - |
| Other Financial Liabilities | 386,864 | 510,436 | - | - |
| Other Liabilities | 3,179 | 3,267 | - | - |
| Total Non-Current Liabilities | 495,059 | 593,658 | - | - |
| <u>Current Liabilities</u> | | | | |
| Income Tax Payable | 22,191 | 13,045 | - | - |
| Trade and Other Payables | 285,348 | 259,971 | 1,909 | 2,119 |
| Other Financial Liabilities | 345,150 | 330,071 | - | 20,250 |
| Other Liabilities | 5,821 | 7,226 | - | - |
| Total Current Liabilities | 658,510 | 610,313 | 1,909 | 22,369 |
| Total Liabilities | 1,153,569 | 1,203,971 | 1,909 | 22,369 |
| Total Equity and Liabilities | 2,431,479 | 2,212,587 | 995,972 | 986,076 |

JAPFA LTD.

(Registration Number: 200819599W)

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

| | As at 30/9/2016 US\$'000 | As at 31/12/2015 US\$'000 |
|-------------------------------|-----------------------------|------------------------------|
| Amount due within one year | | |
| Secured | 229,533 | 329,905 |
| Unsecured | 115,353 | - |
| Total | 344,886 | 329,905 |
| Amount due more than one year | | |
| Secured | 190,480 | 204,008 |
| Unsecured | 196,384 | 306,428 |
| Total | 386,864 | 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.

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

In 3Q2016, PT So Good Food ("PT SGF") and PT So Good Food Manufacturing ("PT SGM"), both wholly owned subsidiaries of the Company (held through Jupiter Foods Pte Ltd ("JFS"), extended their existing facility with BCA for an additional year, and increased the facility by an additional investment loan availability of about IDR 34 billion bringing the total facilities to about IDR 909 billion.

There is no change to the terms of the change of control provisions of the Debtors (PT SGF and PT SGM), JFS and the Company (unofficial English translation set out below):

"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".

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.

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 - Sep | |
|--|-----------|-----------|
| | 2016 | 2015 |
| | US\$'000 | US\$'000 |
| <u>Cash Flows From Operating Activities</u> | | |
| Profit Before Tax | 231,924 | 30,201 |
| Adjustment for: | | |
| Amortisation of Intangible Assets | 957 | 974 |
| Amortisation of Land Use Rights | 46 | 18 |
| Depreciation of Property, Plant and Equipment and Investment Properties | 61,898 | 53,628 |
| Loss from Changes in Fair Value of Biological Assets | 6,663 | 19,392 |
| Gain on Disposal of Other Financial Assets | (149) | - |
| Gain from Changes in Fair Value of Derivative Financial Instruments | (860) | 140 |
| Loss/(Gain) from Changes in Fair Value of Financial Assets | 473 | (2,565) |
| Loss/(Gain) on Disposal of Property, Plant and Equipment and Investment Properties | 131 | (276) |
| Gain on Buyback of Bonds Payable | (634) | (5,126) |
| Gain on Disposal of Asset Held for Sale | (3,519) | - |
| Increase in Provision for Retirement Benefits | 6,527 | 6,890 |
| Interest Income | (2,047) | (1,939) |
| Interest Expense | 46,487 | 53,996 |
| Share Options Granted by Subsidiary | 311 | 380 |
| Share of Loss from Equity-Accounted Joint Ventures | 172 | 627 |
| Write-off of Property, Plant and Equipment | 245 | 4 |
| Net Effect of Exchange Rate Changes | 11,951 | 9,653 |
| Operating Cash Flows before Changes in Working Capital | 360,576 | 165,997 |
| Inventories | (52,094) | 87,594 |
| Biological Assets | (15,855) | (25,013) |
| Trade and Other Receivables | (32,683) | 15,576 |
| Other Assets | (24,159) | (24,808) |
| Trade and Other Payables | 23,030 | (13,582) |
| Provisions | (3,487) | (2,704) |
| Other Liabilities | (1,493) | (1,048) |
| Net Cash Flows From Operations | 253,835 | 202,012 |
| Income Taxes Paid | (16,957) | (9,524) |
| Net Cash Flows From Operating Activities | 236,878 | 192,488 |
| <u>Cash Flows From Investing Activities</u> | | |
| Acquisition of Subsidiaries (Net of Cash Acquired) | - | 6 |
| Purchase of Property, Plant and Equipment | (109,171) | (95,171) |
| Purchase of Intangible Assets | (593) | (1,022) |
| Land Use Rights | (117) | - |
| Purchase of Other Financial Assets | (1,985) | - |
| Purchase of Biological Assets | (20,208) | (14,086) |
| Proceeds from Disposal of Property, Plant and Equipment | 1,332 | 1,187 |
| Proceeds from Disposal of Investment in Other Financial Assets | 3,222 | - |
| Addition to Investment in Joint Venture | (679) | (1,425) |
| Interest Received | 2,047 | 1,939 |
| Proceeds from Disposal of Asset Held for Sale | 20,921 | - |
| Net Cash Flows Used in Investing Activities | (105,231) | (108,572) |

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. (Cont'd)

| | Jan - Sep | |
|---|------------------|------------------|
| | 2016 US\$'000 | 2015 US\$'000 |
| Cash Flows From Financing Activities | | |
| Decrease in Other Financial Liabilities | (113,900) | (145,126) |
| Increase from New Bank Loans | - | 52,510 |
| Cash Restricted in Use | 1,831 | 2,029 |
| Buy Back of Bonds Payable | (3,285) | (12,500) |
| Proceeds from Disposal of Shares in Subsidiary to Non-Controlling Interests Without Change in Control | 28,994 | - |
| Proceeds from Issue of New Shares by Subsidiary to Non-Controlling Interests | 60,022 | 5,804 |
| Acquisition of Non-Controlling Interests Without Change in Control | (4,396) | (5,700) |
| Dividend Paid to Equity Holders of the Company | (6,464) | - |
| Dividend Paid by Subsidiary to Non-Controlling Interests | (11,055) | - |
| Interest Paid | (46,487) | (53,996) |
| Net Cash Flows Used in Financing Activities | (94,740) | (156,979) |
| Net Increase/(Decrease) in Cash and Cash Equivalents | 36,907 | (73,063) |
| Effect of Exchange Rate Changes on Cash and Cash Equivalents | 1,041 | (8,319) |
| Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance | 140,769 | 281,192 |
| Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance | 178,717 | 199,810 |

Notes:

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

| | As at 30/9/2016 US\$'000 | As at 30/9/2015 US\$'000 |
|--|-----------------------------|-----------------------------|
| Cash and Bank Balances | 184,052 | 203,250 |
| Less: Bank Deposit Pledged | (5,335) | (3,440) |
| Cash and Cash Equivalents per Consolidated Statement of Cash Flows | 178,717 | 199,810 |

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 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 | 201,882 | 127,506 | - | 109,078 | - | 18,428 | 74,376 |
| Issue of New Shares by Subsidiary to Non-Controlling Interests | | | | | | | |
| Without a Change in Control | 6,612 | - | - | - | - | - | 6,612 |
| Disposal of Shares in Subsidiary to Non-Controlling Interests | | | | | | | |
| Without Change in Control | 28,994 | 7,876 | - | - | 7,876 | - | 21,118 |
| Deemed Disposal of Shares in Subsidiary to Non-Controlling Interests | | | | | | | |
| Without Change in Control | 53,410 | 10,660 | - | - | 10,660 | - | 42,750 |
| Acquisition of Non-Controlling Interests Without Change in Control | (4,396) | (1,770) | - | - | (1,770) | - | (2,626) |
| Grant of Share Options | 311 | 311 | - | - | 311 | - | - |
| Dividend Paid to Equity Holders of the Company | (6,464) | (6,464) | - | (6,464) | - | - | - |
| Dividend Paid by Subsidiary to Non-Controlling Interests | (11,055) | - | - | - | - | - | (11,055) |
| Balance at 30 September 2016 | 1,277,910 | 808,664 | 937,614 | 403,636 | (379,238) | (153,348) | 469,246 |

| | | | | | | | |
|--|----------|----------|---------|---------|-----------|-----------|----------|
| 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 | (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 |

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. (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 | 36,820 | - | 36,820 |
| Dividend Paid to Equity Holders of the Company | (6,464) | - | (6,464) |
| Balance at 30 September 2016 | 994,063 | 937,614 | 56,449 |
| 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 |

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 30/9/2016 | 3rd Quarter to 30/9/2015 |
| Issued and fully paid ordinary shares: | | |
| As at beginning of period | 1,764,670,391 | 1,764,670,391 |
| Issued during the period | - | - |
| As at end of period | 1,764,670,391 | 1,764,670,391 |

JAPFA LTD.

(Registration Number: 200819599W)

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.

| | <u>As at 30/9/2016</u> | <u>As at 30/9/2015</u> |
|-------------------------|------------------------|------------------------|
| Number of issued shares | <u>1,764,670,391</u> | <u>1,764,670,391</u> |

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 computation 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 periods.

JAPFA LTD.

(Registration Number: 200819599W)

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 | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 2016 | 2015 | 2016 | 2015 |
| | 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 | 2.72 | 0.45 | 6.58 | 1.02 |
| (b) Based on a fully diluted basis | 2.72 | 0.45 | 6.58 | 1.02 |
| Weighted Average Number of Ordinary Shares | <u>1,764,670,391</u> | <u>1,764,670,391</u> | <u>1,764,670,391</u> | <u>1,764,670,391</u> |

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 30/9/2016 | As at 31/12/2015 | As at 30/9/2016 | As at 31/12/2015 |
| | US\$ | US\$ | US\$ | US\$ |
| Net asset value per ordinary share | <u>0.46</u> | <u>0.38</u> | <u>0.56</u> | <u>0.55</u> |

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

JAPFA LTD.

(Registration Number: 200819599W)

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 2016 vs 3Q 2015

Revenue

| | 3rd Quarter 2016 | 3rd Quarter 2015 | Variance |
|--------------------------|---------------------|---------------------|---------------|
| | US\$'000 | US\$'000 | US\$'000 |
| Animal Protein Indonesia | 523,334 | 449,729 | 73,605 |
| Animal Protein Other | 144,511 | 133,986 | 10,525 |
| Dairy | 66,179 | 64,266 | 1,913 |
| Consumer Food | 52,187 | 47,356 | 4,831 |
| Others | 1,750 | - | 1,750 |
| Total | <u>787,961</u> | <u>695,337</u> | <u>92,624</u> |

All business segments showed 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

| | 3rd Quarter 2016 | 3rd Quarter 2015 | Variance |
|--------------------------|---------------------|---------------------|---------------|
| | US\$'000 | US\$'000 | US\$'000 |
| Animal Protein Indonesia | 79,619 | 48,770 | 30,849 |
| Animal Protein Other | 11,370 | 7,934 | 3,436 |
| Dairy | 10,357 | 7,247 | 3,110 |
| Consumer Food | 3,190 | 977 | 2,213 |
| Others | 867 | 897 | (30) |
| Total | <u>105,403</u> | <u>65,825</u> | <u>39,578</u> |

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 of 2015, mainly due to improvement in poultry market leading to better pricing environment. In addition, the lower costs of feed resulted in healthy margins.

Other gains in 3Q 2016 include a gain on disposal of asset held for sale of US\$3.5 million arising from the sale of property and equipment and other assets by a subsidiary of PT Japfa Comfeed Indonesia Tbk ("PT Japfa Tbk), a listed subsidiary in Indonesia.

JAPFA LTD.

(Registration Number: 200819599W)

The “Profit Before Foreign Exchange Adjustments and Changes in Fair Value of Biological Assets” was US\$95.8 million in 3Q 2016 as compared to US\$56.3 million in 3Q 2015.

Gain from changes in fair value of biological assets was US\$5.7 million in 3Q 2016 as compared to a loss of US\$9.3 million in 3Q 2015. The gain from changes in fair value of biological assets in 3Q 2016 was mainly due to increase in number of cattle in Indonesia and swine in Vietnam.

As a result of the above, the Group recorded a profit after tax of US\$79.0m in 3Q 2016 as compared to US\$10.4m in 3Q 2015.

The profit attributable to owners of the parent was US\$48.0 million in 3Q 2016 and US\$8.0 million in 3Q 2015. If we exclude the fair value changes of biological assets and derivative, extraordinary items and foreign exchange gains/losses, the adjusted profit attributable to owners of the parent (“Core PATMI w/o forex”) will be US\$42.0 million in 3Q 2016 as compared to US\$27.9 million in 3Q 2015.

Review of Financial Position

The Group’s total assets as at 30 September 2016 increased by US\$218.9 million from US\$2,212.6 million to US\$2,431.5 million primarily due to increase in property, plant and equipment, inventories, biological assets and trade receivables.

The Group’s total liabilities as at 30 September 2016 decreased by US\$50.4 million from US\$1,204.0 million to US\$1,153.6 million primarily due to decrease in other financial liabilities.

The Group’s translation reserves improved from negative US\$171.8 million as at 31 December 2015 to negative US\$153.3 million as at 30 September 2016 mainly due to translation gain arising from the Indonesian Rupiah strengthening against the US Dollar.

In August 2016, global investment firm KKR’s US\$81.9 million-investment in PT Japfa Tbk was completed through a private placement in PT Japfa Tbk for US\$53.4 million and purchase of shares in PT Japfa Tbk from the Company for US\$28.5. Following this transaction, the Group recorded a capital reserve of US\$18.4 million as a result of a reduction in its ownership in PT Japfa Tbk from 58.7% to 51.0%.

Review of Group Cash Flow

Net cash flows from operating activities were US\$236.9 million in 9M 2016, which mainly arose from operating cash flows before changes in working capital of US\$360.6 million offset by changes in working capital of US\$106.7 million and income tax paid of US\$17.0 million.

Net cash flows used in investing activities were US\$105.2 million in 9M 2016 mainly represented by the purchase of property, plant and equipment of US\$109.2 million.

Net cash flows used in financing activities were US\$94.7 million in 9M 2016 mainly arose from interest paid of US\$46.5 million, dividend paid of US\$17.5 million and decrease in other financial liabilities of US\$113.9 million partially offset by proceeds from issuance of shares to non-controlling interests by subsidiaries of US\$60.0 million.

JAPFA LTD.

(Registration Number: 200819599W)

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 third quarter of 2016 ("3Q 2016"), Japfa reported that all its business segments recorded improved revenue and profits compared to 3Q 2015.

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 animal protein industries.

Since the beginning of 2016, the prices of day-old chicks ("DOCs") and broiler chickens in Indonesia have improved, leading to a recovery of the overall poultry industry. Nonetheless, DOC and broiler prices are expected to fluctuate, due to the seasonality and cyclical nature of the poultry industry. While the Indonesian Rupiah has strengthened in 2016, the Group expects the Indonesian Rupiah to remain volatile in the near term, which may affect consumer consumption and PT Japfa Tbk's revenue in USD terms.

Earlier this year, Indonesia's 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, and the Group has appealed against the decision to the District Court.

In 3Q 2016, the KPPU also issued a guilty verdict in its case against PT Japfa Tbk and 11 poultry companies in relation to the culling programme of 6 million parent stock, and has imposed a penalty of approximately US\$2 million on PT Japfa Tbk. The Group takes the decision of the KPPU very seriously and will consider its options and make further disclosures as required.

Both of these cases are not expected to have a material effect on the Group's operations and business. The Group will continue to remain vigilant and ready to respond to any changes in the competitive and regulatory landscape, which can potentially impact its Indonesian operations.

In China, raw milk prices continue to be under pressure, which the Group has been able to mitigate through improvements in milk yield and growth in sales volume.

In addition, each of the five countries that the Group operates in could continue to see fluctuations in raw material costs and selling prices, which are determined by supply and demand.

Overall, 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.

JAPFA LTD.

(Registration Number: 200819599W)

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 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).

By Order of the Board

Tan Yong Nang
Executive Director and
Chief Executive Officer
27 October 2016