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C.P. POKPHAND CO. LTD.

(Incorporated in Bermuda with limited liability)

(Stock Code: 43)

**UNAUDITED RESULTS
FOR THE THREE MONTHS ENDED 31 MARCH 2019**

Summary

The board of directors (the “Board”) of C.P. POKPHAND CO. LTD. (the “Company”) is making this announcement of the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months ended 31 March 2019 in line with its current practice to publish its financial results quarterly.

The unaudited consolidated profit attributable to shareholders of the Company for the three months ended 31 March 2019 was approximately US\$42 million.

The Board is making this announcement of the Group’s unaudited consolidated results for the three months ended 31 March 2019 in line with its current practice to publish its financial results quarterly.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 31 March	
	2019	2018
	<i>US\$'000</i>	<i>US\$'000</i>
	(Unaudited)	(Unaudited)
REVENUE	1,566,967	1,432,543
Cost of sales	<u>(1,281,141)</u>	<u>(1,281,502)</u>
Gross profit	285,826	151,041
Net changes in fair value of biological assets	<u>(45,996)</u>	<u>2,707</u>
	239,830	153,748
Other income, net	10,818	7,876
Selling and distribution costs	(69,792)	(65,848)
General and administrative expenses	(78,716)	(67,883)
Finance costs	(33,624)	(19,517)
Share of profits and losses of:		
Joint ventures	432	1,249
Associates	<u>5,057</u>	<u>2,831</u>
PROFIT BEFORE TAX	74,005	12,456
Income tax	<u>(19,997)</u>	<u>(13,110)</u>
PROFIT/(LOSS) FOR THE PERIOD	<u>54,008</u>	<u>(654)</u>
<i>Details of revenue (note):</i>		
China feed business	752,668	802,515
China farm business	135,068	103,681
China food business	60,042	55,162
Vietnam feed business	210,834	179,781
Vietnam farm business	385,788	273,338
Vietnam food business	22,510	18,027
Others	57	39
	<u>1,566,967</u>	<u>1,432,543</u>
<i>Realised changes in fair value of biological assets</i>	(98,716)	(16,098)
<i>Unrealised changes in fair value of biological assets</i>	52,720	18,805
<i>Depreciation of right-of-use assets</i>	11,208	-
<i>Other depreciation and amortisation</i>	42,983	42,653
<i>Interest expense on lease liabilities</i>	11,102	-

Note: Comparative figures have been reclassified to conform to the current period's presentation (certain raw meat products were reclassified from food business to farm business.)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(Continued)*

	Three months ended 31 March	
	2019	2018
	<i>US\$'000</i>	<i>US\$'000</i>
	(Unaudited)	(Unaudited)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss:		
Equity investments at fair value through other comprehensive income (non-recycling)	6,490	2,559
Income tax effect	(1,622)	(640)
Disposal of other financial assets	637	-
	5,505	1,919
Items that may be reclassified subsequently to profit or loss:		
Exchange differences related to translation of foreign operations	32,116	45,753
Share of other comprehensive income of:		
Joint ventures	385	922
Associates	3,276	4,762
	35,777	51,437
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX	41,282	53,356
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	95,290	52,702
Profit/(loss) attributable to:		
Shareholders of the Company	41,656	(2,507)
Non-controlling interest	12,352	1,853
	54,008	(654)
Total comprehensive income attributable to:		
Shareholders of the Company	80,506	49,839
Non-controlling interest	14,784	2,863
	95,290	52,702

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 March 2019 <i>US\$'000</i> (Unaudited)	31 December 2018 <i>US\$'000</i> (Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	1,827,693	1,781,312
Investment properties	19,421	19,047
Right-of-use assets	380,611	-
Land lease prepayments	185,625	174,168
Non-current biological assets	71,773	71,460
Intangible assets	26,288	26,297
Investments in joint ventures	17,930	17,114
Investments in associates	137,047	128,714
Other finance assets	20,839	15,042
Goodwill	36,340	35,461
Other non-current assets	30,320	29,494
Deferred tax assets	12,364	11,553
Total non-current assets	2,766,251	2,309,662
CURRENT ASSETS		
Inventories	616,921	629,057
Current biological assets	467,743	484,632
Trade and bills receivables	378,389	353,515
Prepayments, deposits and other receivables	465,119	391,538
Pledged deposits	35,314	34,835
Time deposits with maturity over three months	22,118	15,233
Cash and cash equivalents	424,302	392,890
Total current assets	2,409,906	2,301,700
CURRENT LIABILITIES		
Trade and bills payables	509,634	476,807
Other payables and accruals	460,463	463,896
Lease liabilities	32,979	-
Bank borrowings	895,294	842,230
Corporate bond	148,762	145,041
Income tax payables	17,080	25,324
Total current liabilities	2,064,212	1,953,298
NET CURRENT ASSETS	345,694	348,402

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

	31 March 2019	31 December 2018
	<i>US\$'000</i>	<i>US\$'000</i>
	(Unaudited)	(Audited)
TOTAL ASSETS LESS CURRENT LIABILITIES	3,111,945	2,658,064
NON-CURRENT LIABILITIES		
Lease liabilities	396,199	-
Bank borrowings	833,666	824,096
Other non-current liabilities	50,723	49,748
Deferred tax liabilities	70,118	81,996
Total non-current liabilities	1,350,706	955,840
NET ASSETS	1,761,239	1,702,224
EQUITY		
Equity attributable to shareholders of the Company		
Issued capital	253,329	253,329
Reserves	1,071,916	1,017,731
Proposed final dividend	84,443	84,443
	1,409,688	1,355,503
Non-controlling interest	351,551	346,721
TOTAL EQUITY	1,761,239	1,702,224

The Group's unaudited consolidated results for the three months ended 31 March 2019 have been prepared in accordance with the accounting policies adopted by the Group as disclosed in the audited financial statements for the financial year ended 31 December 2018, except for the new standards and amendments to International Financial Reporting Standards ("IFRSs") that are first effective for the current period. Other than the impact of IFRS 16 *Lease*, these new standards and amendments do not have significant financial effect on this financial information. Please refer to note 2.3 to the financial statements in the annual report for the year ended 31 December 2018 for reference.

By Order of the Board
Arunee Watcharananan
Director

Hong Kong, 10 May 2019

As at the date of this announcement, the Board comprises eight executive directors, namely, Mr. Dhanin Chearavanont, Mr. Adirek Sripratak, Mr. Soopakij Chearavanont, Mr. Suphachai Chearavanont, Mr. Bai Shanlin, Mr. Sooksunt Jiumjaiswanglerg, Mrs. Arunee Watcharananan and Mr. Yu Jianping; two non-executive directors, namely, Mr. Meth Jiaravanont and Mr. Yoichi Ikezoe; and five independent non-executive directors, namely, Mr. Ma Andrew Chiu Cheung, Mr. Sombat Deo-isres, Mr. Sakda Thanitcul, Mr. Vinai Vittavasgarnvej and Mrs. Vatchari Vimooktayon.