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C.P. POKPHAND CO. LTD.

(Incorporated in Bermuda with limited liability)

(Stock Code: 43)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

UNAUDITED CONSOLIDATED RESULTS

The board of directors (the “Board”) of C.P. Pokphand Co. Ltd. (the “Company” or “CPP”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2018 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | | Six months ended 30 June | |
|--|-------------|---------------------------------|--------------------|
| | | 2018 | 2017 |
| | <i>Note</i> | US\$'000 | US\$'000 |
| | | (Unaudited) | (Unaudited) |
| | | | <i>(Note (a))</i> |
| REVENUE | 4 | 3,169,321 | 2,640,373 |
| Cost of sales | | <u>(2,746,342)</u> | <u>(2,383,241)</u> |
| Gross profit | | 422,979 | 257,132 |
| Net changes in fair value of biological assets | 5 | <u>84,121</u> | <u>(26,920)</u> |
| | | 507,100 | 230,212 |
| Other income, net | 6 | 16,747 | 16,623 |
| Selling and distribution costs | | (135,649) | (118,924) |
| General and administrative expenses | | (147,571) | (128,186) |
| Finance costs | | (39,971) | (25,028) |
| Share of profits and losses of: | | | |
| Joint ventures | | 1,991 | 1,770 |
| Associates | | <u>6,806</u> | <u>5,495</u> |
| PROFIT/(LOSS) BEFORE TAX | 7 | 209,453 | (18,038) |
| Income tax | 8 | <u>(52,995)</u> | <u>(8,656)</u> |
| PROFIT/(LOSS) FOR THE PERIOD | | <u>156,458</u> | <u>(26,694)</u> |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(Continued)*

| | Six months ended 30 June | |
|--|---------------------------------|-------------------|
| | 2018 | 2017 |
| <i>Note</i> | US\$'000 | US\$'000 |
| | (Unaudited) | (Unaudited) |
| | | <i>(Note (a))</i> |
| 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) | 1,971 | – |
| Income tax effect | (472) | – |
| | <u>1,499</u> | <u>–</u> |
| Items that may be reclassified subsequently to profit or loss, including the reclassification adjustments: | | |
| Surplus on revaluation of available-for-sale investment (recycling) <i>(Note (b))</i> | – | 17,841 |
| Income tax effect <i>(Note (b))</i> | – | (4,460) |
| Exchange differences related to translation of foreign operations | (27,465) | 30,224 |
| Release of reserves upon step acquisition of a subsidiary | (1,309) | – |
| Share of other comprehensive income of: | | |
| Joint ventures | (410) | 463 |
| Associates | (2,390) | 2,642 |
| | <u>(31,574)</u> | <u>46,710</u> |
| OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX | <u>(30,075)</u> | <u>46,710</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | <u>126,383</u> | <u>20,016</u> |
| Profit/(loss) attributable to: | | |
| Shareholders of the Company | 107,433 | (13,002) |
| Non-controlling interest | 49,025 | (13,692) |
| | <u>156,458</u> | <u>(26,694)</u> |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(Continued)*

| | | Six months ended 30 June | |
|--|-------------|---------------------------------|--------------------|
| | | 2018 | 2017 |
| | <i>Note</i> | US\$'000 | US\$'000 |
| | | (Unaudited) | (Unaudited) |
| | | <i>(Note (a))</i> | |
| Total comprehensive income attributable to: | | | |
| Shareholders of the Company | | 81,293 | 30,963 |
| Non-controlling interest | | 45,090 | (10,947) |
| | | <u>126,383</u> | <u>20,016</u> |
| EARNINGS/(LOSS) PER SHARE | | | |
| ATTRIBUTABLE TO SHAREHOLDERS | | | |
| OF THE COMPANY | | | |
| | 10 | <i>US cents</i> | <i>US cents</i> |
| Basic and diluted | | <u>0.424</u> | <u>(0.051)</u> |

Details of the interim dividend are disclosed in note 9 to this interim financial information.

Notes:

- (a) The Group has initially applied IFRS 9 and IFRS 15 at 1 January 2018. Under the transition methods chosen, comparative information in the consolidated statement of comprehensive income is not restated. Details of changes in accounting policy are disclosed in note 2(i) to this interim financial information.
- (b) These amounts arose under the accounting policies applicable prior to 1 January 2018. As an opening balance adjustment as at 1 January 2018, the balance of available-for-sale investment revaluation reserve (recycling) has been reclassified to fair value reserve (non-recycling) and will not be reclassified to profit or loss in any future periods. Details of changes in accounting policy are disclosed in note 2(i) to this interim financial information.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | | 30 June 2018 | 31 December 2017 |
|---|-------------|--------------------------------|---|
| | <i>Note</i> | <i>US\$'000</i> (Unaudited) | <i>US\$'000</i> (Audited) <i>(Note (c))</i> |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | | 1,766,467 | 1,754,648 |
| Investment properties | | 23,484 | 23,897 |
| Land lease prepayments | | 162,106 | 152,496 |
| Non-current biological assets | | 67,907 | 65,687 |
| Intangible assets | | 26,998 | 28,798 |
| Investments in joint ventures | | 18,469 | 22,977 |
| Investments in associates | | 128,264 | 126,105 |
| Other financial assets | | 27,657 | – |
| Available-for-sale investments | | – | 41,751 |
| Goodwill | | 36,840 | 37,488 |
| Other non-current assets | | 49,150 | 43,581 |
| Deferred tax assets | | 11,787 | 24,397 |
| | | 2,319,129 | 2,321,825 |
| CURRENT ASSETS | | | |
| Inventories | | 631,454 | 612,670 |
| Current biological assets | | 462,649 | 351,340 |
| Trade and bills receivables | 11 | 321,915 | 287,900 |
| Prepayments, deposits and other receivables | | 439,568 | 332,320 |
| Pledged deposits | | 24,407 | 24,762 |
| Time deposits with maturity over three months | | 35,502 | 15,305 |
| Cash and cash equivalents | | 261,354 | 286,807 |
| | | 2,176,849 | 1,911,104 |
| CURRENT LIABILITIES | | | |
| Trade and bills payables | 12 | 520,115 | 462,834 |
| Other payables and accruals | | 448,644 | 452,016 |
| Bank borrowings | | 850,789 | 697,749 |
| Income tax payables | | 14,321 | 20,945 |
| | | 1,833,869 | 1,633,544 |
| NET CURRENT ASSETS | | 342,980 | 277,560 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 2,662,109 | 2,599,385 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

| | 30 June 2018 US\$'000 (Unaudited) | 31 December 2017 US\$'000 (Audited) <i>(Note (c))</i> |
|---|--|---|
| NON-CURRENT LIABILITIES | | |
| Bank borrowings | 791,463 | 836,465 |
| Corporate bond | 150,431 | 152,818 |
| Other non-current liabilities | 51,164 | 25,271 |
| Deferred tax liabilities | 72,661 | 69,467 |
| | <hr/> | <hr/> |
| Total non-current liabilities | 1,065,719 | 1,084,021 |
| | <hr/> | <hr/> |
| NET ASSETS | 1,596,390 | 1,515,364 |
| | <hr/> <hr/> | <hr/> <hr/> |
| EQUITY | | |
| Equity attributable to shareholders of the Company | | |
| Issued capital | 253,329 | 253,329 |
| Reserves | 985,354 | 961,500 |
| Dividend | 55,213 | 22,881 |
| | <hr/> | <hr/> |
| | 1,293,896 | 1,237,710 |
| | <hr/> | <hr/> |
| Non-controlling interest | 302,494 | 277,654 |
| | <hr/> | <hr/> |
| TOTAL EQUITY | 1,596,390 | 1,515,364 |
| | <hr/> <hr/> | <hr/> <hr/> |

Note:

- (c) The Group has initially applied IFRS 9 and IFRS 15 at 1 January 2018. Under the transition methods chosen, comparative information in the consolidated statement of financial position is not restated. Details of changes in accounting policy are disclosed in note 2(i) to this interim financial information.

NOTES

1. BASIS OF PREPARATION

This interim financial information is unaudited and has been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* issued by the International Accounting Standards Board (the “IASB”) and Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The accounting policies and the basis of preparation adopted in the preparation of this interim financial information are consistent with those adopted in the annual financial statements for the year ended 31 December 2017, which were prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which include all International Financial Reporting Standards, IASs and Interpretations) issued by the IASB, except for the accounting policy changes as set out in note 2 below. This interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2017.

2. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

- (i) The IASB has issued a number of new standards, amendments to IFRSs and interpretation that are first effective for the current interim period. Of these, the following new standards, amendments and interpretation may be relevant to the Group:

| | |
|--|---|
| IFRS 9 | <i>Financial Instruments</i> |
| IFRS 15 | <i>Revenue from Contracts with Customers</i> |
| Annual Improvements to IFRSs 2014-2016 Cycle | Amendments to IFRS 1 <i>First time adoption of International Financial Reporting Standards</i> and Amendments to IAS 28 <i>Investments in Associates and Joint Ventures</i> |
| IFRS Interpretations Committee 22 | <i>Foreign currency transactions and advance consideration</i> |

The Group has initially adopted IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers* from 1 January 2018. Other new standards and amendments are effective from 1 January 2018 do not have significant financial effect on this interim financial information.

Under the transition methods chosen, the Group recognised cumulative effect of the initial application of IFRS 9 and IFRS 15 as adjustments to the opening balance of equity at 1 January 2018. Comparative information was not restated in accordance with the practical expedients permitted under the standards.

- IFRS 9 *Financial instruments*
IFRS 9 introduces new classification and measurement requirements for financial assets on the basis of the Group’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, and a new expected credit loss model that replaces the incurred loss impairment model used in IAS 39 *Financial Instruments: Recognition and Measurement* with the result that a loss event is no longer need to occur before an impairment allowance is recognised.

2. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES *(Continued)*

(i) *(Continued)*

- IFRS 9 *Financial instruments (Continued)*

On 31 December 2017, investments in equity instruments were classified as available-for-sale investments under IAS 39 and changes in fair value was recognised in other comprehensive income, until investments were derecognised, the cumulative gain or loss previously recognised in other comprehensive income would be reclassified from equity to profit or loss as a reclassification adjustment.

Under IFRS 9, an investment in equity instruments is classified as fair value through profit or loss (“FVPL”) unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at fair value through other comprehensive income (“FVOCI”) (non-recycling), such that subsequent changes in fair value are recognised in other comprehensive income. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained profits and not recycled through profit or loss.

The Group holds equity investments for long-term strategic purposes and are designated as equity investments measured at FVOCI under IFRS 9. Consequently, all fair value gains and losses in current period are reported in other comprehensive income and no gains or losses are reclassified to profit or loss on disposal.

The above changes in accounting policies have been applied retrospectively from 1 January 2018. Comparative information was not restated and continues to be reported under IAS 39. The equity investments that previously included in “available-for-sale investments” on 31 December 2017 were reclassified to “other financial assets” on 1 January 2018.

During the six months ended 30 June 2018, certain equity investments measured at FVOCI under IFRS 9 has been disposed. Upon disposal of the equity investments, the amount accumulated in the fair value reserve (non-recycling) was transferred to retained profits under IFRS 9, instead of recycling to profit or loss as a disposal gain in “Other income, net” included in the consolidated statement of comprehensive income under IAS 39.

The following tables summarise the estimated impact of the adoption of IFRS 9 on this interim financial information, by comparing the amounts reported under IFRS 9 with the hypothetical amounts that would have been recognised under IAS 39 as if it has continued to be applied in 2018 instead of IFRS 9. These tables show only those line items impacted by the adoption of IFRS 9.

2. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES *(Continued)*

(i) *(Continued)*

- IFRS 9 *Financial instruments* *(Continued)*

Consolidated statement of comprehensive income (Extract)

| Six months ended 30 June 2018 | As reported | Adjustments | Hypothetical amounts without adoption of IFRS 9 |
|--|--------------------|--------------------|--|
| | <i>US\$'000</i> | <i>US\$'000</i> | <i>US\$'000</i> |
| Other income, net | 16,747 | 13,835 | 30,582 |
| Profit before tax | 209,453 | 13,835 | 223,288 |
| Income tax | (52,995) | (3,459) | (56,454) |
| Profit for the period | <u>156,458</u> | <u>10,376</u> | <u>166,834</u> |
| Profit attributable to: | | | |
| Shareholders of the Company | <u>107,433</u> | <u>10,376</u> | <u>117,809</u> |
| Other comprehensive income | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Disposal of available-for-sale investments | – | (13,835) | (13,835) |
| Income tax effect | – | 3,459 | 3,459 |

2. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (Continued)

(i) (Continued)

- IFRS 9 *Financial instruments* (Continued)

Consolidated statement of financial position (Extract)

| At 30 June 2018 | As reported US\$'000 | Adjustments US\$'000 | Hypothetical amounts without adoption of IFRS 9 US\$'000 |
|---------------------------------|-------------------------|-------------------------|---|
| Assets | | | |
| Other financial assets | 27,657 | (27,657) | – |
| Available-for-sales investments | – | 27,657 | 27,657 |
| | <u> </u> | <u> </u> | <u> </u> |

The adoption of IFRS 9 has no impact to condensed consolidated statement of cash flows.

Besides, impairment based on the expected credit loss model introduced by IFRS 9 on the Group's financial assets, including trade and bills receivables, has no significant financial impact on this interim financial information.

- IFRS 15 *Revenue from contracts with customers*
IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 *Revenue*, IAS 11 *Construction Contracts* and related interpretations.

Under the requirements of IFRS 15, revenue from sale of goods and provision of services by the Group is recognised when the customer obtains control of the promised goods or services in the contract. Transfer of significant risks and rewards of ownership is only one of the indicators that is considered in determining when the transfer of control occurs. Based on the assessment of the existing contracts signed with certain contract broiler farms, the Group considered the provision of raw materials of certain chicken food products (including feed products and day-old-chicks to contract broiler farms) would not be recognised as revenue under the transfer-of-control approach in the new standard. The Group has continued to recognise these raw materials transferred and the farming costs as assets until the related chicken food products are sold.

2. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES *(Continued)*

(i) *(Continued)*

- IFRS 15 *Revenue from contracts with customers (Continued)*

The Group has adopted IFRS 15 using the cumulative effect transition method, and recognised the cumulative effect of initial application as adjustments to the opening balance of equity as at 1 January 2018. Comparative information was not restated and continues to be reported under IAS 18. The adoption of cumulative effect transition method has resulted in a decrease of US\$2,648,000 in both net assets and total equity (US\$2,226,000 is included in retained profits attributable to shareholders of the Company) as at 1 January 2018.

The following tables summarise the estimated impact of the adoption of IFRS 15 on this interim financial information, by comparing the amounts reported under IAS 18 with the hypothetical amounts that would have been recognised under IAS 18 as if it has continued to be applied in 2018 instead of IFRS 15. These tables show only those line items impacted by the adoption of IFRS 15.

Consolidated statement of comprehensive income (Extract)

| Six months ended 30 June 2018 | As reported | Adjustments | Hypothetical amounts without adoption of IFRS 15 |
|--------------------------------------|-----------------------|--------------------|---|
| | <i>US\$'000</i> | <i>US\$'000</i> | <i>US\$'000</i> |
| Revenue | 3,169,321 | 144,522 | 3,313,843 |
| Cost of sales | <u>(2,746,342)</u> | <u>(144,388)</u> | <u>(2,890,730)</u> |
| Gross profit | <u>422,979</u> | <u>134</u> | <u>423,113</u> |
| Profit before tax | 209,453 | 134 | 209,587 |
| Income tax | <u>(52,995)</u> | <u>(113)</u> | <u>(53,108)</u> |
| Profit for the period | <u><u>156,458</u></u> | <u><u>21</u></u> | <u><u>156,479</u></u> |
| Profit attributable to: | | | |
| Shareholders of the Company | 107,433 | 146 | 107,579 |
| Non-controlling interest | <u>49,025</u> | <u>(125)</u> | <u>48,900</u> |
| | <u><u>156,458</u></u> | <u><u>21</u></u> | <u><u>156,479</u></u> |

2. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (Continued)

(i) (Continued)

- IFRS 15 Revenue from contracts with customers (Continued)

Consolidated statement of comprehensive income (Extract) (Continued)

| Six months ended 30 June 2018 | As reported US\$'000 | Adjustments US\$'000 | Hypothetical amounts without adoption of IFRS 15 US\$'000 |
|--|-----------------------------|-----------------------------|--|
| Other comprehensive income | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Exchange differences related to translation of foreign operations | (27,465) | (108) | (27,573) |
| | <u> </u> | <u> </u> | <u> </u> |
| Total comprehensive income | | | |
| attributable to: | | | |
| Shareholders of the Company | 81,293 | 50 | 81,343 |
| Non-controlling interest | 45,090 | (137) | 44,953 |
| | <u> </u> | <u> </u> | <u> </u> |
| | 126,383 | (87) | 126,296 |
| | <u> </u> | <u> </u> | <u> </u> |

Consolidated statement of financial position (Extract)

| At 30 June 2018 | As reported US\$'000 | Adjustments US\$'000 | Hypothetical amounts without adoption of IFRS 15 US\$'000 |
|--|-----------------------------|-----------------------------|--|
| Assets | | | |
| Deferred tax assets | 11,787 | (173) | 11,614 |
| Current biological assets | 462,649 | (17,698) | 444,951 |
| Trade and bills receivables | 321,915 | 28,494 | 350,409 |
| Prepayments, deposits and other receivables | 439,568 | (14,949) | 424,619 |
| Liabilities | | | |
| Trade and bills payables | 520,115 | 3,182 | 523,297 |
| Other payables and accruals | 448,644 | (10,069) | 438,575 |
| Equity | | | |
| Reserves | 985,354 | 2,276 | 987,630 |
| Non-controlling interest | 302,494 | 285 | 302,779 |
| | <u> </u> | <u> </u> | <u> </u> |

The adoption of IFRS 15 has no impact to the condensed consolidated statement of cash flows.

2. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES *(Continued)*

(i) *(Continued)*

- IFRS 15 *Revenue from contracts with customers (Continued)*

Besides, if a customer pays consideration or the Group has a right to receive a consideration before the goods is transferred to the customer, a contract liability shall be recognised when the payment is made or due (whichever is earlier). As at 30 June 2018, the Group has contract liabilities of US\$84,112,000 (31 December 2017: US\$86,929,000), which represents the obligation to transfer goods to customers for which the consideration has been received, and is included in “other payables and accruals” in the consolidated statement of financial position.

(ii) Up to the date of issue of this interim financial information, the IASB has issued a number of new standards, amendments and interpretations which are not yet effective for the period ended 30 June 2018 and which have not been adopted in this interim financial information. This includes the following which may be relevant to the Group:

- IFRS 16 *Leases*

IFRS 16 will primarily affect the Group’s accounting as a lessee of leases for properties, plant and equipment and land which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of comprehensive income over the period of the lease. The Group has non-cancellable operating leases commitments as at 30 June 2018, the majority of which is payable in the second to fifth years or five years after the reporting date. Some of these amounts may therefore need to be recognised as lease liabilities, with corresponding right-of-use assets, once IFRS 16 is adopted.

However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments. The Group will need to perform a more detailed analysis to determine the amounts of new assets and liabilities arising from operating lease commitments on adoption of IFRS 16.

IFRS 16 is mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its mandatory effective date.

The Group has not applied any new standard, amendments or interpretation that is not yet effective for the current period.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into the following three reportable operating segments based on their products and services:

- the China agri-food segment is engaged in (i) manufacture and sale of animal feed, (ii) breeding, farming and sale of livestock, and (iii) manufacture and sale of value-added, processed food products in the People's Republic of China (the "PRC");
- the Vietnam agri-food segment is engaged in (i) manufacture and sale of animal feed, (ii) breeding, farming and sale of livestock and aquatic animals, and (iii) manufacture and sale of value-added, processed food products in the Socialist Republic of Vietnam ("Vietnam"); and
- the investment and property holding segment is engaged in leasing properties owned by the Group and investments in group companies.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment results, which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that bank interest income and finance costs are excluded from such measurement.

Segment assets exclude pledged deposits, time deposits, cash and cash equivalents, deferred tax assets and other unallocated corporate assets as these assets are managed on a group basis.

Segment liabilities exclude bank borrowings, corporate bond, income tax payables and deferred tax liabilities as these liabilities are managed on a group basis.

All revenue from contracts with customers is recognised at a point in time when our customer obtains control of promised goods. Disaggregation of revenue from major product lines is disclosed in note 3(a) and 4. Disaggregation of revenue by geographical location of customers is disclosed in note 3(b)(i).

3. OPERATING SEGMENT INFORMATION *(Continued)*

(a) Reportable operating segments

The following tables present revenue, profit or loss and certain assets, liabilities and expenditure information for the Group's reportable operating segments during the period.

Six months ended 30 June 2018

| | China agri-food operations <i>US\$'000</i> (Unaudited) | Vietnam agri-food operations <i>US\$'000</i> (Unaudited) | Investment and property holding operations <i>US\$'000</i> (Unaudited) | Total <i>US\$'000</i> (Unaudited) |
|---|--|--|--|---|
| Segment revenue | | | | |
| Sales to external customers | <u>1,996,785</u> | <u>1,172,458</u> | <u>78</u> | <u>3,169,321</u> |
| Segment results | | | | |
| The Group | 74,781 | 168,391 | (4,175) | 238,997 |
| Share of profits and losses of: | | | | |
| Joint ventures | 1,991 | – | – | 1,991 |
| Associates | <u>6,806</u> | <u>–</u> | <u>–</u> | <u>6,806</u> |
| | <u>83,578</u> | <u>168,391</u> | <u>(4,175)</u> | 247,794 |
| Reconciliation: | | | | |
| Bank interest income | | | | 1,630 |
| Finance costs | | | | <u>(39,971)</u> |
| Profit before tax | | | | <u>209,453</u> |
| Other segment information | | | | |
| Depreciation and amortisation | 44,128 | 39,627 | 476 | 84,231 |
| Capital expenditure* | 81,183 | 26,212 | 16 | 107,411 |
| Additions of other non-current assets** | <u>13,065</u> | <u>36,168</u> | <u>–</u> | <u>49,233</u> |

* Including additions to property, plant and equipment and land lease prepayments, but excluding assets from step acquisition of a subsidiary.

** Including (i) non-current assets acquired from step acquisition of a subsidiary, and (ii) additions to non-current biological assets and other non-current assets.

3. OPERATING SEGMENT INFORMATION (Continued)

(a) Reportable operating segments (Continued)

At 30 June 2018

| | China agri-food operations US\$'000 (Unaudited) | Vietnam agri-food operations US\$'000 (Unaudited) | Investment and property holding operations US\$'000 (Unaudited) | Total US\$'000 (Unaudited) |
|--|---|---|---|----------------------------------|
| Segment assets | 2,773,909 | 1,309,523 | 400,012 | 4,483,444 |
| Reconciliation: | | | | |
| Elimination of intersegment receivables | | | | (339,985) |
| Unallocated assets | | | | <u>352,519</u> |
| Total assets | | | | <u><u>4,495,978</u></u> |
| Segment liabilities | 1,140,468 | 215,682 | 3,758 | 1,359,908 |
| Reconciliation: | | | | |
| Elimination of intersegment payables | | | | (339,985) |
| Unallocated liabilities | | | | <u>1,879,665</u> |
| Total liabilities | | | | <u><u>2,899,588</u></u> |
| Other segment information | | | | |
| Investments in joint ventures | 18,469 | – | – | 18,469 |
| Investments in associates | <u>128,264</u> | <u>–</u> | <u>–</u> | <u>128,264</u> |

3. OPERATING SEGMENT INFORMATION *(Continued)*

(a) Reportable operating segments *(Continued)*

Six months ended 30 June 2017

| | China agri-food operations <i>US\$'000</i> (Unaudited) | Vietnam agri-food operations <i>US\$'000</i> (Unaudited) | Investment and property holding operations <i>US\$'000</i> (Unaudited) | Total <i>US\$'000</i> (Unaudited) |
|--|--|--|--|---|
| Segment revenue | | | | |
| Sales to external customers | 1,686,297 | 953,997 | 79 | 2,640,373 |
| Segment results | | | | |
| The Group | 97,334 | (95,144) | (4,782) | (2,592) |
| Share of profits and losses of: | | | | |
| Joint ventures | 1,770 | – | – | 1,770 |
| Associate | 5,495 | – | – | 5,495 |
| | <u>104,599</u> | <u>(95,144)</u> | <u>(4,782)</u> | 4,673 |
| Reconciliation: | | | | |
| Bank interest income | | | | 2,317 |
| Finance costs | | | | <u>(25,028)</u> |
| Loss before tax | | | | <u>(18,038)</u> |
| Other segment information | | | | |
| Depreciation and amortisation | 33,146 | 37,401 | 388 | 70,935 |
| Capital expenditure* | 105,305 | 17,630 | 71 | 123,006 |
| Additions of other non-current assets** | <u>79,622</u> | <u>28,769</u> | <u>–</u> | <u>108,391</u> |

* Including additions to property, plant and equipment and land lease prepayments, but excluding assets from acquisition of a subsidiary.

** Including (i) non-current assets acquired from acquisition of a subsidiary, and (ii) additions to non-current biological assets and other non-current assets.

3. OPERATING SEGMENT INFORMATION *(Continued)*

(a) Reportable operating segments *(Continued)*

At 31 December 2017

| | China agri-food operations <i>US\$'000</i> (Audited) | Vietnam agri-food operations <i>US\$'000</i> (Audited) | Investment and property holding operations <i>US\$'000</i> (Audited) | Total <i>US\$'000</i> (Audited) |
|--|--|--|--|---------------------------------------|
| Segment assets | <u>2,690,323</u> | <u>1,105,266</u> | <u>446,780</u> | 4,242,369 |
| Reconciliation: | | | | |
| Elimination of intersegment receivables | | | | (385,932) |
| Unallocated assets | | | | <u>376,492</u> |
| Total assets | | | | <u>4,232,929</u> |
| Segment liabilities | <u>1,103,245</u> | <u>219,944</u> | <u>2,864</u> | 1,326,053 |
| Reconciliation: | | | | |
| Elimination of intersegment payables | | | | (385,932) |
| Unallocated liabilities | | | | <u>1,777,444</u> |
| Total liabilities | | | | <u>2,717,565</u> |
| Other segment information | | | | |
| Investments in joint ventures | 22,977 | – | – | 22,977 |
| Investments in associates | <u>126,105</u> | <u>–</u> | <u>–</u> | <u>126,105</u> |

3. OPERATING SEGMENT INFORMATION *(Continued)*

(b) Geographical information

(i) Revenue from external customers

| | Six months ended 30 June | |
|----------------|---------------------------------|------------------|
| | 2018 | 2017 |
| | <i>US\$'000</i> | <i>US\$'000</i> |
| | (Unaudited) | (Unaudited) |
| Mainland China | 1,999,235 | 1,686,677 |
| Vietnam | 1,133,441 | 925,884 |
| Elsewhere | 36,645 | 27,812 |
| | <u>3,169,321</u> | <u>2,640,373</u> |

The revenue information shown above is based on the location of the customers.

(ii) Non-current assets

| | 30 June | 31 December |
|----------------|-------------------------|------------------|
| | 2018 | 2017 |
| | <i>US\$'000</i> | <i>US\$'000</i> |
| | (Unaudited) | (Audited) |
| Mainland China | 1,765,191 | 1,750,727 |
| Vietnam | 460,825 | 450,643 |
| Elsewhere | 53,669 | 54,307 |
| | <u>2,279,685</u> | <u>2,255,677</u> |

The non-current assets information shown above is based on the location of assets and excludes other financial assets (31 December 2017: available-for-sale investments) and deferred tax assets.

4. REVENUE

Revenue represents: (i) the aggregate of the invoiced value of goods sold, net of value-added tax and government surcharges, and after allowances for goods returned and trade discounts; and (ii) rental income from investment and property holding operations.

An analysis of revenue is as follows:

| | Six months ended 30 June | |
|---|---------------------------------|--------------------|
| | 2018 | 2017 |
| | US\$'000 | US\$'000 |
| | (Unaudited) | (Unaudited) |
| Sales of goods from: | | |
| China agri-food operations | | |
| – Feed business | 1,669,653 | 1,505,747 |
| – Farm business | 168 | 22,029 |
| – Food business | 326,964 | 158,521 |
| Vietnam agri-food operations | | |
| – Feed business | 393,995 | 426,709 |
| – Farm business | 699,772 | 467,741 |
| – Food business | 78,691 | 59,547 |
| | 3,169,243 | 2,640,294 |
| Rental income from investment and property holding operations | 78 | 79 |
| | 3,169,321 | 2,640,373 |

5. NET CHANGES IN FAIR VALUE OF BIOLOGICAL ASSETS

Net changes in fair value of biological assets represent the difference in fair value from 1 January 2018 to 30 June 2018. Net fair value changes consist of (i) negative realised fair value changes of US\$59,633,000 (six months ended 30 June 2017: US\$52,416,000) in respect of biological assets held as at 1 January 2018 and (ii) positive unrealised fair value changes in biological assets stated at fair value as at 30 June 2018 of US\$143,754,000 (six months ended 30 June 2017: US\$25,496,000).

6. OTHER INCOME, NET

An analysis of other income, net, is as follows:

| | Six months ended 30 June | |
|---|--------------------------|---------------|
| | 2018 | 2017 |
| | US\$'000 | US\$'000 |
| | (Unaudited) | (Unaudited) |
| Bank interest income | 1,630 | 2,317 |
| Other interest income | 4,358 | 4,514 |
| Rental income | 2,037 | 1,720 |
| Government grants | 3,838 | 2,740 |
| Income from sales of consumables and packaging materials | 2,935 | 2,514 |
| Gain on step acquisition of a subsidiary | 2,574 | – |
| Net changes in fair value of derivative financial instruments | 8,367 | (6,874) |
| Foreign exchange differences, net | (11,924) | 7,359 |
| Others | 2,932 | 2,333 |
| | <u>16,747</u> | <u>16,623</u> |

Government grants included above are subsidies or incentives from the government in respect of certain investments of the Group in the agricultural industry and areas promoted by the government in the PRC. There are no unfulfilled conditions or contingencies relating to these grants. Government grants received for which related expenditure has not yet been undertaken are included in deferred income in the consolidated statement of financial position.

7. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging:

| | Six months ended 30 June | |
|--|--------------------------|------------------|
| | 2018 | 2017 |
| | US\$'000 | US\$'000 |
| | (Unaudited) | (Unaudited) |
| Cost of inventories sold | 2,746,342 | 2,383,241 |
| Depreciation of property, plant and equipment | 61,807 | 50,565 |
| Amortisation of land lease prepayments | 2,252 | 1,883 |
| Depreciation of biological assets stated at cost less accumulated depreciation and impairment | 18,818 | 17,232 |
| Amortisation of intangible assets | 1,354 | 1,255 |
| Impairment of trade receivables, net | 2,739 | 740 |
| Loss on disposal of property, plant and equipment, net | 44 | 298 |
| | <u>2,839,356</u> | <u>2,857,214</u> |

8. INCOME TAX

No provision for Hong Kong profits tax has been made for the period as the Group did not generate any assessable profits in Hong Kong during the period (six months ended 30 June 2017: nil).

The subsidiaries operating in the PRC and Vietnam are subject to income tax at the rate of 25% (six months ended 30 June 2017: 25%) and 20% (six months ended 30 June 2017: 20%) respectively on their taxable income according to the PRC and Vietnam corporate income tax laws. In accordance with the relevant tax rules and regulations in the PRC and Vietnam, certain subsidiaries of the Group in the PRC and Vietnam enjoy income tax exemptions or reductions.

| | Six months ended 30 June | |
|----------------------------------|--------------------------|--------------|
| | 2018 | 2017 |
| | US\$'000 | US\$'000 |
| | (Unaudited) | (Unaudited) |
| Current – the PRC | | |
| Charge for the period | 34,057 | 29,329 |
| Over-provision in prior years | (5,689) | (5,888) |
| Current – Vietnam | | |
| Charge for the period | 6,477 | 577 |
| Deferred | 18,150 | (15,362) |
| | <u>52,995</u> | <u>8,656</u> |
| Total tax expense for the period | <u>52,995</u> | <u>8,656</u> |

9. INTERIM DIVIDEND

| | Six months ended 30 June | |
|--|--------------------------|-------------|
| | 2018 | 2017 |
| | US\$'000 | US\$'000 |
| | (Unaudited) | (Unaudited) |
| Interim – HK\$0.017 (equivalent to approximately US0.218 cents) per ordinary share and convertible preference share (six months ended 30 June 2017: nil) | 55,213 | – |
| | <u>55,213</u> | <u>–</u> |

The interim dividend in respect of the six months ended 30 June 2018 was declared by the Board on 10 August 2018. The total amount of the interim dividend was calculated based on the number of shares in issue on the date of this announcement.

10. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of basic and diluted earnings/(loss) per share is based on the profit/(loss) for the period attributable to shareholders of the Company and the weighted average number of ordinary shares and convertible preference shares in issue during the period.

The calculation of basic and diluted earnings/(loss) per share is based on the following data:

| | Six months ended 30 June | |
|---|---------------------------------|-------------|
| | 2018 | 2017 |
| | US\$'000 | US\$'000 |
| | (Unaudited) | (Unaudited) |
| Earnings/(loss) | | |
| Profit/(loss) for the period attributable to shareholders of the Company, used in the basic and diluted earnings/(loss) per share calculation | 107,433 | (13,002) |

| | Six months ended 30 June | |
|--|---------------------------------|----------------|
| | 2018 | 2017 |
| | (Unaudited) | (Unaudited) |
| Shares | | |
| Weighted average number of ordinary shares and convertible preference shares in issue during the period, used in the basic and diluted earnings/(loss) per share calculation | 25,332,914,980 | 25,332,914,980 |

11. TRADE AND BILLS RECEIVABLES

Depending on the requirements of the market and business, the Group may extend credit to its customers. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management and interest may be charged by the Group for overdue trade receivables at rates determined by the Group with reference to market practice. In the opinion of the directors, there is no significant concentration of credit risk. An aging analysis of the Group's trade and bills receivables, based on the date of delivery of goods, is as follows:

| | 30 June 2018 US\$'000 (Unaudited) | 31 December 2017 US\$'000 (Audited) |
|------------------|--|--|
| 60 days or below | 259,369 | 257,220 |
| 61 to 180 days | 58,066 | 27,387 |
| Over 180 days | 4,480 | 3,293 |
| | 321,915 | 287,900 |

12. TRADE AND BILLS PAYABLES

An aging analysis of the Group's trade payables as at the end of the reporting period, based on the date of receipt of goods, is as follows:

| | 30 June 2018 US\$'000 (Unaudited) | 31 December 2017 US\$'000 (Audited) |
|------------------|--|--|
| 60 days or below | 335,647 | 337,173 |
| 61 to 180 days | 41,254 | 25,733 |
| Over 180 days | 9,571 | 3,872 |
| | 386,472 | 366,778 |
| Bills payable | 133,643 | 96,056 |
| | 520,115 | 462,834 |

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP RESULTS

For the six months ended 30 June 2018 (“1H18”), profit attributable to shareholders of C.P. Pokphand Co. Ltd. and its subsidiaries (together, the “Group”) was US\$107 million, compared to a loss attributable to shareholders of US\$13 million in the first half of 2017 (“1H17”). The significant improvement was primarily due to the recovery of swine prices in Vietnam, resulting in an increase in operating profit of the Vietnam farming business and a significant positive net change in fair value of biological assets as at the end of 1H18.

In 1H18, the Group’s revenue increased 20.0% to US\$3,169 million (1H17: US\$2,640 million). Agri-food business in China contributed 63.0% of the Group’s revenue and agri-food business in Vietnam contributed 37.0% of the Group’s revenue. Gross profit margin in 1H18 was 13.3% (1H17: 9.7%).

Basic and diluted earnings per share for the six months ended 30 June 2018 were both US 0.424 cents (1H17: Loss per share of US 0.051 cents). The Board has resolved to declare an interim dividend per share of HK\$0.017 for the six months ended 30 June 2018 (1H17: Nil).

BUSINESS REVIEW

Agri-food Business in China

In 1H18, revenue of the Group’s agri-food business in China grew by 18.4% to US\$1,997 million. Feed business accounted for 83.6% of agri-food business revenue in China while farm and food businesses contributed the remaining 16.4%. Overall gross profit margin for the Group’s China agri-food business declined from 15.8% to 13.3% in 1H18. Feed business margin remained at a solid level. However, our food business margin was affected by new food processing operations commissioned in late 2017 and recently acquired integrated poultry businesses.

Decline in swine prices and tighter environmental regulations are gradually eliminating small-scale farmers whilst larger commercial players with more expertise and resources continue to strengthen. In 1H18, the Group’s overall China feed sales volume increased 2.9% to 3.34 million tons and feed revenue rose 10.9% to US\$1,670 million. Swine feed continued to be the largest component of the Group’s China feed segment, accounting for 54.2% of revenue in this segment. Poultry feed, aqua feed, other feed products and premix contributed 27.0%, 8.5%, 5.8% and 4.5%, respectively.

The Group’s swine feed sales volume in 1H18 rose 6.9% to 1.8 million tons and revenue increased 14.8% to US\$904 million, mainly attributable to strategic marketing of our feed products for the entire life-cycle of the pig. Poultry feed sales volume decreased 5.1% to 1.1 million tons while revenue increased 1.9% to US\$451 million. Aqua feed sales volume increased 14.1% to 0.2 million tons and revenue increased 23.6% to US\$143 million as the Group increased marketing efforts in promoting a sub-segment of this market - crayfish feed.

Combined farm and food revenue in China was US\$327 million in 1H18 versus US\$181 million in 1H17. The steep increase in revenue came mainly from our newly commissioned food factories in China and recently acquired integrated poultry businesses. In addition, our Qingdao and Qinhuangdao food factories also contributed to the increase in revenue of this segment. However, pressure at these newest food factories and newly acquired businesses adversely affected overall profit margin for this segment.

Agri-food Business in Vietnam

Following an extended period of weakness, Vietnam swine prices began to recover in the second quarter of 2018. This development was favourable to our swine farming business. The market witnessed a correction in the swine oversupply situation in Vietnam, which was also reflected in the reduction of our swine feed sales in 1H18. The Group's agri-food business revenue in Vietnam increased 22.9% to US\$1,172 million. Feed business accounted for 33.6% while farm and food businesses combined accounted for the remaining 66.4%. Gross profit margin for the Group's agri-food business in Vietnam increased to 13.4% (1H17: -0.9%), mainly due to improvement in swine prices benefiting our farming business.

The oversupply situation eased as the swine population in the market came down considerably. This trend had a negative effect on our Vietnam feed business. In 1H18, total feed sales volume decreased by 10.7% year-on-year to 8.41 million tons, with swine feed reducing by 30.7%. Revenue of the Group's feed business in Vietnam declined 7.7% to US\$394 million, of which swine, poultry, aqua and other feed products accounted for 38.2%, 25.2%, 35.0% and 1.6%, respectively.

However, the same trend had a positive effect on the Group's farm and food businesses in Vietnam, with the combined revenue of this segment increasing 47.6% to US\$778 million in 1H18. Swine farming continued to be the major revenue contributor of this segment, and the strong growth in revenue was mainly due to the rebound in swine prices in Vietnam. Average selling price of our fattening pigs in 1H18 was approximately VND37,000 per kg, compared to VND27,000 per kg in 1H17 - an increase of 38% year-on-year.

As a result of the continuing recovery in swine prices, a positive change in fair value of biological assets of US\$81.4 million was recorded in the second quarter of 2018 or US\$84.1 million for 1H18.

OUTLOOK

Looking ahead, with the recovery of swine prices in Vietnam, we expect the Group's full year performance to improve compared to 2017.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2018, the Group had total assets of US\$4,496.0 million, representing an increase of 6.2% as compared to US\$4,232.9 million as at 31 December 2017.

Net debt (30 June 2018: US\$1,471.4 million, 31 December 2017: US\$1,360.2 million) to equity ratio (defined as total bank borrowings and corporate bond minus cash and deposits divided by total equity) was 0.92 as compared to 0.90 as at 31 December 2017.

The borrowings of the Group are denominated in U.S. dollars (“US\$”) (30 June 2018: US\$764.5 million, 31 December 2017: US\$761.7 million), Vietnamese Dong (“VND”) (30 June 2018: US\$439.8 million, 31 December 2017: US\$381.5 million) and Renminbi (“RMB”) (30 June 2018: US\$588.4 million, 31 December 2017: US\$543.8 million).

As at 30 June 2018, the Group’s current portion of long-term borrowings amounted to US\$162.5 million (31 December 2017: US\$115.5 million) and fixed interest rate borrowings amounted to US\$207.5 million (31 December 2017: US\$314.1 million).

All domestic sales in the PRC and Vietnam are transacted in RMB and VND respectively and export sales are transacted in foreign currencies. Foreign currencies are required for purchase of certain raw materials, equipment etc. The Group monitors foreign exchange movements and determines appropriate hedging activities when necessary. During the period, the Group has entered into forward exchange contracts to manage its exchange rate exposures of US\$ denominated liabilities against RMB and VND. As at 30 June 2018, the aggregate notional principal amount of these outstanding derivative financial instruments for US\$ against RMB was US\$144.4 million.

CAPITAL STRUCTURE

The Group finances its working capital requirements through a combination of funds generated from operations and borrowings. The Group had time deposits and cash and cash equivalents of US\$296.9 million as at 30 June 2018, a decrease of US\$5.2 million as compared to 31 December 2017.

CHARGES ON GROUP ASSETS

As at 30 June 2018, out of the total borrowings of US\$1,792.7 million (31 December 2017: US\$1,687.0 million) obtained by the Group, US\$160.9 million (31 December 2017: US\$162.9 million) was secured and accounted for 9.0% (31 December 2017: 9.7%) of the total borrowings. Certain of the Group’s property, plant and equipment and land lease prepayments with an aggregate net book value of US\$162.4 million (31 December 2017: US\$117.8 million) were pledged as security.

CONTINGENT LIABILITIES

Guarantees were given by certain subsidiaries in the Group to financial institutions in the PRC for certain indebtedness of independent third party customers of the Group. In the case of financial guarantees provided which exceed the net asset value of the relevant subsidiaries, our maximum contingent liabilities are limited to the net asset value of these subsidiaries. The net asset value of the relevant subsidiaries as at 30 June 2018 was approximately US\$87.5 million (31 December 2017: US\$91.2 million). The contingent liabilities of the Group in respect of such guarantees as at 30 June 2018 were US\$17.3 million (31 December 2017: US\$23.5 million).

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2018, the Group employed around 36,000 staff in the PRC, Vietnam and Hong Kong. The Group remunerates its employees based on their performance, experience and prevailing market rates while performance bonuses are granted on a discretionary basis. Other employee benefits include, for example, medical insurance and training.

INTERIM DIVIDEND

The Board has declared an interim dividend of HK\$0.017 (six months ended 30 June 2017: nil) per share for the six months ended 30 June 2018. The interim dividend will be paid on 31 October 2018 to ordinary share holders and convertible preference share holders, whose name appear on the register of members of the Company on 19 October 2018.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from 18 October 2018 to 19 October 2018, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on 16 October 2018.

CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high corporate governance standard, the principles of which are to uphold a high standard of ethics, transparency, accountability and integrity in all aspects of business and to ensure that affairs are conducted in accordance with applicable laws and regulations.

In the opinion of the Board, the Company has applied the principles and complied with all of the code provisions prescribed in the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six months ended 30 June 2018.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"), as the code of conduct for dealings in the Company's securities by its directors. In response to a specific enquiry by the Company, all of the directors of the Company have confirmed that they complied with the required standard set out in the Model Code during the six months ended 30 June 2018.

REVIEW OF INTERIM RESULTS

The interim results for the six months ended 30 June 2018 are unaudited, but have been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Hong Kong Institute of Certified Public Accountants, whose unmodified review report is included in the interim report to be sent to shareholders of the Company.

The audit committee of the Company has also reviewed the interim results for the six months ended 30 June 2018.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2018.

By Order of the Board
Arunee Watcharananan
Director

Hong Kong, 10 August 2018

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.