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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 2020
AND SPECIAL DIVIDEND**

Unaudited Results for the Three Months Ended 31 March 2020

The unaudited consolidated profit attributable to shareholders of the Group for the three months ended 31 March 2020 was approximately US\$133 million.

Special Dividend

To mark the Group's 40 years in China, and as a token of appreciation for shareholders' support of the Company, the Board has declared a special dividend in the amount of HK\$0.008 (equivalent to approximately US0.103 cents) per share to the ordinary share holders and convertible preference share holders of the Company. Based on the number of ordinary shares and convertible preference shares in issue on the date of this announcement, the total amount of the Special Dividend payable is US\$25,983,000.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 31 March	
	2020	2019
	<i>US\$'000</i>	<i>US\$'000</i>
	(Unaudited)	(Unaudited)
REVENUE	1,939,376	1,566,967
Cost of sales	<u>(1,462,140)</u>	<u>(1,281,141)</u>
Gross profit	477,236	285,826
Net changes in fair value of biological assets	<u>(42,013)</u>	<u>(45,996)</u>
	435,223	239,830
Other income, net	8,650	10,818
Selling and distribution costs	(80,750)	(69,792)
General and administrative expenses	(94,927)	(78,716)
Finance costs	(33,988)	(33,624)
Share of profits and losses of:		
Joint ventures	885	432
Associates	<u>7,083</u>	<u>5,057</u>
PROFIT BEFORE TAX	242,176	74,005
Income tax	<u>(53,762)</u>	<u>(19,997)</u>
PROFIT FOR THE PERIOD	<u>188,414</u>	<u>54,008</u>
<i>Details of revenue:</i>		
<i>China feed business</i>	<i>842,472</i>	<i>752,668</i>
<i>China farm business</i>	<i>183,579</i>	<i>135,068</i>
<i>China food business</i>	<i>74,666</i>	<i>60,042</i>
<i>Vietnam feed business</i>	<i>202,309</i>	<i>210,834</i>
<i>Vietnam farm business</i>	<i>601,776</i>	<i>385,788</i>
<i>Vietnam food business</i>	<i>34,516</i>	<i>22,510</i>
<i>Others</i>	<u><i>58</i></u>	<u><i>57</i></u>
	<u>1,939,376</u>	<u>1,566,967</u>
<i>Realised changes in fair value of biological assets</i>	<i>(217,447)</i>	<i>(98,716)</i>
<i>Unrealised changes in fair value of biological assets</i>	<i>175,434</i>	<i>52,720</i>
<i>Depreciation of other right-of-use assets</i>	<i>12,734</i>	<i>11,208</i>
<i>Other depreciation and amortisation</i>	<i>47,796</i>	<i>42,983</i>
<i>Interest expense on lease liabilities</i>	<i>12,566</i>	<i>11,102</i>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(Continued)*

	Three months ended 31 March	
	2020	2019
	<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)	(1,348)	6,490
Income tax effect	337	(1,622)
Disposal of other financial assets	-	637
	(1,011)	5,505
Items that may be reclassified subsequently to profit or loss:		
Exchange differences related to translation of foreign operations	(42,798)	32,116
Share of other comprehensive income of:		
Joint ventures	(277)	385
Associates	(2,594)	3,276
	(45,669)	35,777
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX	(46,680)	41,282
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	141,734	95,290
Profit attributable to:		
Shareholders of the Company	132,828	41,656
Non-controlling interest	55,586	12,352
	188,414	54,008
Total comprehensive income attributable to:		
Shareholders of the Company	94,485	80,506
Non-controlling interest	47,249	14,784
	141,734	95,290

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 March 2020 <i>US\$'000</i> (Unaudited)	31 December 2019 <i>US\$'000</i> (Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	2,029,921	1,988,328
Investment properties	10,913	11,904
Land use rights	205,716	207,105
Other right-of-use assets	423,534	421,209
Non-current biological assets	70,573	66,350
Intangible assets	32,063	33,375
Investments in joint ventures	17,523	16,915
Investments in associates	150,035	145,547
Other finance assets	15,588	17,206
Goodwill	34,440	35,030
Other non-current assets	69,558	69,918
Deferred tax assets	13,549	12,154
Total non-current assets	3,073,413	3,025,041
CURRENT ASSETS		
Inventories	722,896	753,403
Current biological assets	521,426	571,946
Trade and bills receivables	288,737	258,011
Prepayments, deposits and other receivables	300,114	295,081
Pledged deposits	14,194	17,699
Time deposits with maturity over three months	17,214	2,293
Cash and cash equivalents	702,897	422,364
Total current assets	2,567,478	2,320,797
CURRENT LIABILITIES		
Trade and bills payables	400,626	446,116
Other payables and accruals	573,981	559,094
Lease liabilities	36,785	36,749
Bank borrowings	1,315,495	1,174,796
Income tax payables	45,758	21,390
Total current liabilities	2,372,645	2,238,145
NET CURRENT ASSETS	194,833	82,652

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

	31 March 2020	31 December 2019
	<i>US\$'000</i>	<i>US\$'000</i>
	(Unaudited)	(Audited)
TOTAL ASSETS LESS CURRENT LIABILITIES	3,268,246	3,107,693
NON-CURRENT LIABILITIES		
Lease liabilities	444,763	440,361
Bank borrowings	571,194	548,180
Corporate bond	11,740	11,833
Other non-current liabilities	56,635	57,908
Deferred tax liabilities	78,342	82,373
Total non-current liabilities	1,162,674	1,140,655
NET ASSETS	2,105,572	1,967,038
EQUITY		
Equity attributable to shareholders of the Company		
Issued capital	253,329	253,329
Reserves	1,281,384	1,216,998
2019 final dividend	77,947	77,947
Special dividend	25,983	-
	1,638,643	1,548,274
Non-controlling interest	466,929	418,764
TOTAL EQUITY	2,105,572	1,967,038

The unaudited consolidated results of C.P. POKPHAND CO. LTD. (the “Company”) and its subsidiaries (collectively the “Group”) for the three months ended 31 March 2020 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 2019, except for the new standards and amendments to International Financial Reporting Standards that are first effective for the current period. These new standards and amendments do not have significant financial effect on this financial information.

SPECIAL DIVIDEND

To mark the Group’s 40 years in China, and as a token of appreciation for shareholders’ support of the Company, the board of directors (the “Board”) of the Company has declared a special dividend in the amount of HK\$0.008 (equivalent to approximately US\$0.103 cents) per share to the ordinary share holders and convertible preference share holders of the Company (the “Special Dividend”). Based on the number of ordinary shares and convertible preference shares in issue on the date of this announcement, the total amount of the Special Dividend payable is US\$25,983,000.

The Special Dividend will be paid on 30 June 2020 (the same date as the proposed final dividend for the year ended 31 December 2019 (the “2019 Final Dividend”)) to the ordinary share holders and convertible preference share holders whose names appear on the registers of members of the Company on 17 June 2020.

CLOSURE OF REGISTERS OF MEMBERS

Shareholders are reminded that, for the purpose of determining entitlement to the 2019 Final Dividend as previously announced, the 2019 Final Dividend is payable to the ordinary share holders and convertible preference share holders whose names appear on the registers of the Company on 17 June 2020 and, the register of members holding ordinary shares and convertible preference shares of the Company respectively will be closed from 15 June 2020 to 17 June 2020, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the 2019 Final 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 for registration before 4:30 p.m. on 12 June 2020. Those ordinary share holders and convertible preference share holders of the Company entitled to receive the 2019 Final Dividend will also be entitled to receive the Special Dividend.

By Order of the Board
Arunee Watcharananan
Director

Hong Kong, 13 May 2020

As at the date of this announcement, the Board comprises eight executive directors, namely, Mr. Soopakij Chearavanont, Mr. Adirek Sripratak, Mr. Suphachai Chearavanont, Mr. Narong 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 six independent non-executive directors, namely, Mr. Ma Andrew Chiu Cheung, Mr. Sombat Deo-isres, Mr. Sakda Thanitcul, Mr. Vinai Vittavasgarnvej, Mrs. Vatchari Vimooktayon and Mr. Cheng Yuk Wo.