C.P. POKPHAND CO. LTD.

(Incorporated in Bermuda with limited liability)
(Stock Code : 43)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2004

RESULTS

	Notes	2004 US$'000	2003 US$'000
Turnover	(a)		
Continuing operations		**1,713,036**	1,447,654
Discontinued operation		**–**	209,692
		1,713,036	1,657,346
Cost of sales		**(1,550,580)**	(1,492,465)
Gross profit		**162,456**	164,881
Selling and distribution costs		**(61,608)**	(69,431)
General and administrative expenses		**(99,754)**	(100,142)
Other income, net	(b)	**5,998**	1,099
Loss on disposal of discontinued operation		**–**	(18,413)
Profit/(Loss) from operating activities	(c)	**7,092**	(22,006)
Finance costs		**(29,252)**	(32,071)
Share of profits and losses of jointly controlled entities		**(24,987)**	5,146
Share of profits and losses of associates		**2,220**	(1,446)
Loss before tax			
Continuing operations		**(44,927)**	(47,868)
Discontinued operation		**–**	(2,509)
		(44,927)	(50,377)
Tax	(d)		
Continuing operations		**(9,441)**	(3,737)
Discontinued operation		**–**	(4,173)
		(9,441)	(7,910)
Loss after tax		**(54,368)**	(58,287)
Minority interests		**(8,018)**	(4,471)

	Notes	**2004** **_US$'000_**	2003 _US$'000_
Net loss from ordinary activities attributable to shareholders		**(62,386)**	(62,758)
Accumulated losses at beginning of year			
As previously reported		**(105,716)**	(49,650)
– effect of adopting IFRS 3		**8,884**	–
As restated		**(96,832)**	(49,650)
Accumulated losses		**(159,218)**	(112,408)
Transfers from/(to) statutory reserves		**(922)**	6,692
Accumulated losses at end of year		**(160,140)**	(105,716)

		2004 **_US cents_**	2003 _US cents_
Loss per share:			
Basic	(e)	**(2.89)**	(2.91)
Dividend per share:			
Interim: Nil (2003: Nil)		**–**	–
Final: Nil (2003: Nil)		**–**	–

Notes:

(a) Segmental information

Turnover represents rental income and the net invoiced value of sales after allowances for goods returned and trade discounts, and after the elimination of intra-group transactions.

An analysis of turnover by principal activity and geographical location of operation is as follows:

Turnover:

	2004 **_US$'000_**	2003 _US$'000_
By principal activity:		
Feedmill and poultry operations	**1,713,032**	1,657,310
Property holding	**4**	36
	1,713,036	1,657,346
By geographical location of operation:		
People's Republic of China ("PRC"):		
Hong Kong	**4**	36
Mainland	**1,713,032**	1,447,618
	1,713,036	1,447,654
Turkey (discontinued operation)	**–**	209,692
	1,713,036	1,657,346

The above analysis does not include the turnover of the Group's jointly controlled entities and associates.

(b) Other income, net:

	2004	2003
	US$'000	*US$'000*
Negative goodwill recognized as income	**–**	808
Gain on disposal of interests in subsidiaries, net	**4,574**	–
Gain on disposal of interests in a jointly controlled entity	**20,381***	–
Gain/(Loss) on disposal of short term investments, net	**(7,580)**	3,754
Unrealised loss of short term investments	**–**	(227)
Unrealised gain on revaluation of livestock	**–**	1,057
Revaluation deficit on investment properties	**(613)**	(8)
Impairment loss in respect of fixed assets	**(5,163)**	(3,722)
Impairment loss in respect of goodwill	**(7,004)**	(1,830)
Interest income	**1,167**	1,065
Tax refund in respect of re-investment of distributed earnings from the PRC ventures	**236**	202
	5,998	1,099

* The gain relates to the disposal of the Group's entire 50% equity interest in Shanghai-Ek Chor General Machinery Co., Ltd. for a total consideration of US$40.0 million.

(c) The Group's profit/(loss) from operating activities was arrived at after charging a depreciation of US$54.2 million (2003: US$71.0 million) and amortisation of goodwill of US$Nil (2003: US$0.3 million).

(d) Tax:

	2004	2003
	US$'000	*US$'000*
The Company and subsidiaries:		
Provision for profits tax in respect of the year:		
PRC:		
Hong Kong	**–**	–
Mainland	**7,516**	5,367
Overseas	**–**	5,092
Deferred tax	**251**	(3,441)
	7,767	7,018
Over provision in the prior year:		
PRC:		
Hong Kong	**–**	–
Mainland	**(26)**	(1,558)
Overseas	**–**	(1,218)
	(26)	(2,776)

	2004	2003
	US$'000	*US$'000*
Jointly controlled entities:		
PRC:		
Hong Kong	**–**	–
Mainland	**1,053**	3,668
	1,053	3,668
Associates:		
PRC:		
Hong Kong	**–**	–
Mainland	**647**	–
	647	–
Tax charge for the year	**9,441**	7,910

Hong Kong profits tax is calculated by applying the current tax rate of 17.5% (2003: 17.5%) to the estimated assessable profits which were earned in or derived from Hong Kong during the year.

In accordance with the relevant tax rules and regulations in the PRC, certain of the Company's PRC subsidiaries, jointly controlled entities and associates enjoy income tax exemptions and reductions. Certain subsidiaries, jointly controlled entities and associates are subject to income taxes at tax rates ranging from 10% to 33%.

(e) The basic loss per share is calculated based on the net loss attributable to shareholders of US$62,386,000 (2003: US$62,758,000) and 2,158,480,786 shares (2003: 2,158,480,786 shares) of the Company in issue during the year.

The diluted loss per share amounts for the years ended 31st December, 2004 and 2003 have not been disclosed as no diluting events existed during the two years.

Financial review

The breakdown of net loss attributable to shareholders by activity and geographical location are as follows:

	2004	2003
	US$'000	*US$'000*
By activity:		
Feedmill and poultry operations	**(65,747)**	(41,544)
Industrial operations	**22,249**	6,224
Property holding	**(803)**	(902)
Investment holding*	**(18,085)**	(26,536)
	(62,386)	(62,758)

	2004	2003
	US$'000	*US$'000*
By geographical location:		
PRC:		
Hong Kong	**(11,308)**	(11,793)
Mainland	**(43,498)**	(45,223)
	(54,806)	(57,016)
Turkey	**–**	(8,509)
Indonesia	**(7,580)**	2,767
	(62,386)	(62,758)

* including Hong Kong headquarters' general expenses

DIVIDEND

The Directors do not recommend a final dividend for the year ended 31st December, 2004 (2003: Nil).

MODIFIED AUDITORS' OPINION

The Auditors' report on the Group's financial statements for the year ended 31st December, 2004 contains a modified Auditors' opinion.

The financial statements have been prepared on a going concern basis, the validity of which depends upon the Group's ability to generate sufficient cash inflows from its operating activities and the successful outcomes of the proposed capital reorganisation and the proposed issue of the subscription shares. The financial statements do not include any adjustments that would result from the failure of the Group either to generate sufficient cash inflows from its operating activities, or successfully achieve the proposed capital reorganisation and the proposed issue of the subscription shares as planned. The Auditors consider that appropriate disclosures and estimates have been made in the financial statements and their opinion is not qualified in this respect.

BUSINESS REVIEW

2004 was a challenging year for the Group. Consolidated turnover was US$1,713.0 million (2003: US$1,657.3 million). Consolidated operating profit was US$7.1 million (2003: consolidated operating loss of US$22.0 million). Loss after tax for the year was US$54.4 million (2003: US$58.3 million). Net loss attributable to shareholders was US$62.4 million (2003: US$62.8 million).

PRC

Agri-business

During the year under review, Chia Tai (China) Agro-Industrial Ltd. ("China Agro") and Chia Tai (China) Investment Ltd. ("China Investment"), our two wholly-owned subsidiaries which run our agri-business operations in the PRC, saw a 18.3% increase in turnover.

Turnover on a consolidated basis was US$1,713.0 million (2003: US$1,447.6 million). Together with turnover of the jointly controlled entities and associates, turnover under management was US$2,479.8 million (2003: US$2,132.9 million). Unit sales of our two main products, complete feed and day-old chicks, were 4.9 million tonnes (2003: 4.7 million tonnes) and 355.4 million units (2003: 345.0 million units), increases of 4.3% and 3.0% respectively.

The total consolidated loss attributable to shareholders of China Agro and China Investment during the year was US$65.7 million (2003: US$51.4 million).

During the year, the cost of raw materials such as corn and soybean was on a record high because of poor harvest and high import price. However, the increase could be partly compensated by raising the selling price of our products.

The Avian flu that prevailed in the first half of 2004 disadvantaged us from other business sectors and caused sluggish demand for our products. However, the Group has picked up the sales in the second half of the year with improved operating results.

Other than the feeds and poultry business, the Group also has the expertise on the swine business. As compared with the poultry sector, this line of business is relatively small but with high growth potential.

Industrial business
Net income attributable to the Group was US$22.2 million (2003: US$6.2 million), an increase of 258% over 2003. It was mainly attributable to the gain on disposal of the Group's entire 50% equity interest in Shanghai-Ek Chor General Machinery Co., Ltd. for a consideration of US$40.0 million.

Indonesia
The Group disposed all of its Indonesian investments for a total consideration of US$4.8 million during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st December, 2004, the Group had total assets of US$897.1 million, down 12.1% from US$1,020.8 million at the year end of 2003. Total debt and debt to equity ratio (debt to equity ratio is calculated by dividing the total debt by the net asset value) were US$553.9 million and 539% respectively, as compared to US$623.0 million and 417% as at 31st December, 2003.

Most of the borrowings were in U.S. dollars and RMB, and the interest rates ranged from 1.3% to 7.1% per annum for 2004.

The Group had not engaged in any derivative for hedging against both the interest and exchange rate.

CAPITAL STRUCTURE

The Group finances its working capital requirements through a combination of funds generated from operations, short term and long term loans, floating rate notes and from the disposal of certain assets. The Group had cash and cash equivalents of US$74.4 million as at 31st December, 2004 (2003: US$56.8 million), an increase of US$17.6 million.

CHARGES ON GROUP ASSETS

As at 31st December, 2004, out of the total borrowings of US$553.9 million (2003: US$623.0 million) obtained by the Group, only US$175.0 million (2003: US$192.7 million) were secured and accounted for 31.6% (2003: 30.9%) of the total. Certain of the Group's fixed assets located in the PRC with net book value of US$250.0 million (2003: US$242.2 million), have been pledged as security for various short and long term bank loans.

CONTINGENT LIABILITIES

As at 31st December, 2004, the guarantees provided by the Group was US$14.4 million (2003: US$13.1 million).

EMPLOYEE AND REMUNERATION POLICIES

As at 31st December, 2004, the Group employed around 51,000 staff (including 19,000 staff from the jointly controlled entities and associates) in the PRC and Hong Kong. The Group remunerates its employees based on their performance, experience and prevailing market rate while performance bonuses are granted on a discretionary basis. Other employee benefits include insurance and medical cover, subsidized training programme as well as share option scheme.

RESTRUCTURING

The Company has made a distribution of US$86.6 million during the year, amounting to an aggregate distribution of US$420.0 million. At the end of 2004, the creditors agreed to an extension of the restructuring period to 30th April, 2005.

OUTLOOK

As the PRC government places a special emphasis on the agricultural sector and tries to improve the well-being of the farmers, this provides our Group the opportunities to expand our array of products and services. The Group has also undertaken progressive initiatives to increase its product mix and further explore on the domestic market for value-added poultry meat processing products. The Board and the management will continue to strive for competitive advantages and develop the leading role in its business area.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the year under review.

CODE OF BEST PRACTICE

In the opinion of the Directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange") during the year.

REVIEW OF ANNUAL RESULTS

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the audited financial statements for the year ended 31st December, 2004.

PUBLICATION OF FURTHER INFORMATION

All the information required by paragraphs 45(1) to 45(3) of Appendix 16 of the Listing Rules will be published on the Stock Exchange's website in due course.

By Order of the Board
Dhanin Chearavanont
Chairman and Chief Executive Officer

Hong Kong, 30th March, 2005

As at the date of this announcement, the directors comprise nine executive directors, namely Mr. Jaran Chiaravanont, Mr. Montri Jiaravanont, Mr. Dhanin Chearavanont, Mr. Sumet Jiaravanon, Mr. Prasert Poongkumarn, Mr. Min Tieanworn, Mr. Thirayut Phitya-Isarakul, Mr. Thanakorn Seriburi and Mr. Veeravat Kanchanadul, and two independent non-executive directors, namely Mr. Budiman Elkana and Mr. Cheung Koon Yuet, Peter.

Please also refer to the published version of this announcement in The Standard.