C.P. POKPHAND CO. LTD.

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

ANNOUNCEMENT OF RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE, 2005

UNAUDITED CONSOLIDATED RESULTS

The board of directors (the "Board") announces the unaudited consolidated results of C.P. Pokphand Co. Ltd. ("CPP" or the "Company") and its subsidiaries (the "Group") for the six months ended 30th June, 2005 as follows:

Condensed Consolidated Profit and Loss Account

		Six months ended 30th June,	
		2005	2004
		(Unaudited)	(Unaudited) Restated
	Notes	***US$'000***	*US$'000*
Turnover	*2*	**846,929**	734,495
Cost of sales		**(742,093)**	(675,814)
Gross profit		**104,836**	58,681
Selling expenses		**(30,878)**	(25,217)
General and administrative expenses		**(50,965)**	(39,335)
Other income, net	*3*	**16,033**	13,174
Profit from operating activities	*4*	**39,026**	7,303
Finance costs		**(17,483)**	(16,885)
Share of profits less losses of jointly controlled entities		**(960)**	(2,193)
Share of profits less losses of associates		**1,505**	(625)

	Notes	Six months ended 30th June, 2005 (Unaudited) US$'000	2004 (Unaudited) Restated US$'000
Profit/(Loss) before tax		**22,088**	(12,400)
Tax	*5*	**(4,787)**	(3,723)
Profit/(Loss) for the period		**17,301**	(16,123)
Attributable to:			
Equity holders of the Company		**11,952**	(17,716)
Minority interests		**5,349**	1,593
		17,301	(16,123)
Accumulated losses at beginning of period			
As previously reported		**(160,140)**	(105,716)
– effect of adopting IFRS 3		**–**	8,884
As restated		**(160,140)**	(96,832)
Profit/(Loss) attributable to equity holders of the Company		**11,952**	(17,716)
Accumulated losses		**(148,188)**	(114,548)
Transfer from/(to) reserves		**89,455**	(1,570)
Accumulated losses at end of period		**(58,733)**	(116,118)
		US cent	*US cent*
Earnings/(Loss) per share for profit attributable to equity holders of the Company:	*6*		
Basic		**0.498**	(0.821)
Diluted		**N/A**	N/A
Dividend per share		**–**	–

Condensed Consolidated Balance Sheet

	Notes	**30th June, 2005 (Unaudited)** *US$'000*	31st December, 2004 (Audited) *US$'000*
Non-current assets			
Fixed assets		**489,471**	487,817
Investment properties		**3,234**	3,234
Non-current livestock		**5,668**	4,614
Interests in jointly controlled entities		**51,233**	35,970
Interests in associates		**26,036**	25,806
Long term investments		**1,438**	1,578
Goodwill		**2,703**	2,703
Deferred tax assets		**1,484**	2,272
		581,267	563,994
Current assets			
Current livestock		**12,465**	13,140
Inventories		**177,212**	154,330
Accounts receivables, other receivables and deposits	*7*	**50,559**	58,311
Bills receivable		**249**	1,426
Tax recoverable		**–**	186
Amounts due from related companies		**7,719**	4,822
Cash held in escrow accounts		**–**	9,688
Fixed and pledged deposits		**2,858**	16,792
Cash and cash equivalents		**54,297**	74,369
		305,359	333,064

Condensed Consolidated Balance Sheet (Continued)

	Notes	30th June, 2005 (Unaudited) US$'000	31st December, 2004 (Audited) US$'000
Current liabilities			
Accounts payable, other payables and accrued expenses	8	**210,577**	196,457
Bills payable		**11,871**	27,643
Tax payable		**2,716**	2,267
Provisions for staff bonuses and welfare benefits		**9,775**	6,116
Amounts due to related companies		**3,126**	7,819
Interest-bearing bank loans and other loans		**335,071**	526,596
		573,136	766,898
Net current liabilities		**(267,777)**	(433,834)
		313,490	130,160
Non-current liabilities			
Interest-bearing bank loans and other loans		**(153,474)**	(27,340)
		160,016	102,820
Capital and reserves			
Issued capital		**28,898**	107,924
Share premium		**73,897**	51,210
Reserves		**1,597**	(107,986)
Equity attributable to equity holders of the Company		**104,392**	51,148
Minority interests		**55,624**	51,672
Total equity		**160,016**	102,820

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Significant accounting policies

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and International Accounting Standard ("IAS") 34 "Interim Financial Reporting", adopted by the International Accounting Standards Board ("IASB"). The interim financial report was authorised for issuance on 13th September, 2005.

The accounting policies adopted are consistent with those followed in the Group's annual financial statements for the year ended 31st December, 2004, except for the accounting policy changes that are expected to be reflected in the annual financial statements for the year ending 31st December, 2005.

The preparation of the interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2004 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs"). IFRSs include IAS and related interpretations.

The IASB has issued a number of new and revised IFRSs that are effective or available for early adoption for accounting periods beginning on or after 1st January, 2005. The Board has determined the accounting policies to be adopted in the preparation of the Group's annual financial statements for the year ending 31st December, 2005, on the basis of IFRSs currently in issue.

The IFRSs that will be effective or are available for voluntary early adoption in the annual financial statements for the year ending 31st December, 2005 may be affected by the issue of additional interpretation(s) or other changes announced by the IASB subsequent to the date of issuance of this interim financial report. Therefore, the policies that will be applied in the Group's financial statements for that period cannot be determined with certainty at the date of issuance of this interim financial report.

The followings set out further information on the changes in accounting policy for the annual accounting period beginning on 1st January, 2005 which has been reflected in this interim financial report.

IAS 1, Presentation of financial statements and IAS 27, Consolidated and separate financial statements

In prior years, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and as deduction from net assets. Minority interests in the results of the Group for the period were also separately presented in the consolidated profit and loss account as a deduction before arriving at the profit attributable to shareholders.

With effect from 1st January, 2005, in order to comply with IAS 1 and IAS 27, minority interests at the balance sheet date are presented in the consolidated balance sheet within equity, separately from the equity attributable to the equity holders of the parent, and minority interests in the results for the Group for the period are presented on the face of the consolidated profit and loss account as an allocation of the total profit or loss for the period between the minority interests and the equity holders of the parent.

The presentation of minority interests in the condensed consolidated balance sheet, condensed consolidated profit and loss account and condensed consolidated statement of changes in equity for the comparative period has been restated accordingly.

IFRS 2, Share-based payments

The adoption of IFRS 2 has resulted in a change in accounting policy for directors and employees share options and other share-based payments. This provision did not apply to the outstanding share options as they were granted on or before 7th November, 2002 and granted after 7th November, 2002 had vested before 1st January, 2005.

In accordance with the share option scheme of the Company adopted on 26th November, 2002, during the period, 236,848,078 share options were granted and vested immediately to certain directors and employees. IFRS 2 applies for such grant, the fair value of the grant of share options is estimated and recognised as an expense and credited the same amount to capital reserve under the equity.

As a result of this change in accounting policy, an amount of US$8.47 million representing the estimated fair value of share options granted has been charged to profit and loss account during the period and credited the same amount to capital reserve under equity. No retrospective restatement is required for the share options granted in previous years.

Save as disclosed above, the basis of preparation and accounting policies used in the preparation of the condensed consolidated interim financial statements are the same as those used in the annual consolidated financial statements for the year ended 31st December, 2004.

2. Segmental information

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

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

Turnover:

	Six months ended 30th June,	
	2005	2004
	(Unaudited)	(Unaudited)
	US$'000	*US$'000*
By activity:		
Feedmill and poultry operations	**846,925**	734,494
Investment properties	**4**	1
	846,929	734,495
By geographical location:		
People's Republic of China ("PRC"):		
Hong Kong	**4**	1
Mainland	**846,925**	734,494
	846,929	734,495

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

3. Other income, net

	Six months ended 30th June, 2005 (Unaudited) *US$'000*	2004 (Unaudited) Restated *US$'000*
Gain on disposal of a subsidiary	**15,083**	–
Loss on disposal of short term investments	**–**	(7,580)
Gain on disposal of a jointly controlled entity	**–**	20,198
Tax refund in respect of re-investments	**–**	144
Interest income	**1,336**	412
Impairment loss in respect of investment	**(109)**	–
Impairment loss in respect of goodwill	**(277)**	–
	16,033	13,174

4. Profit from operating activities

	Six months ended 30th June, 2005 (Unaudited) *US$'000*	2004 (Unaudited) *US$'000*
The Group's profit from operating activities is arrived at after charging/(crediting):		
Foreign exchange loss, net	**217**	129
Depreciation	**26,037**	28,490
Staff costs	**48,764**	42,059
Share options cost	**8,470**	–
Loss on disposal of fixed assets, net	**176**	2,748
Impairment loss in respect of investment	**109**	–
Goodwill:–		
Amortisation for the period	**–**	100
Impairment arising during the period	**277**	–

5. Tax

	Six months ended 30th June,	
	2005	2004
	(Unaudited)	(Unaudited)
	US$'000	*US$'000*
The Company and subsidiaries:		
Provision for taxation in respect of profit for the period:		
PRC:		
Hong Kong	**–**	–
Mainland	**3,308**	2,968
Deferred tax asset	**788**	–
	4,096	2,968
Jointly controlled entities:		
PRC:		
Hong Kong	**–**	–
Mainland	**345**	650
	345	650
Associates:		
PRC:		
Hong Kong	**–**	–
Mainland	**346**	105
	346	105
Tax charge for the period	**4,787**	3,723

No provision for Hong Kong profits tax has been made as the Group earned no assessable income in Hong Kong during the period (2004: nil).

6. Earnings/(Loss) per share

Earnings/(Loss) per share is calculated based on the net profit from ordinary activities attributable to shareholders of US$11,952,000 (2004: net loss of US$17,716,000) and the weighted average of 2,402,230,786 shares (2004: 2,158,480,786 shares) of the Company in issue during the period.

As the exercise price of share options outstanding during the period is higher than the average market price of the Company's shares during the respective periods, the diluted earnings per share for the periods ended 30th June, 2005 and 2004 are not presented because the impact of the options is anti-dilutive.

7. Accounts receivable, other receivables and deposits

The Group normally grants a credit policy of up to 90 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. An aged analysis of the accounts receivable, other receivables and deposits of the Group are as follows:

	30th June, 2005 (Unaudited) *US$'000*	31st December, 2004 (Audited) *US$'000*
Accounts receivable:		
Less than 90 days	**24,729**	22,826
91 to 180 days	**470**	936
181 to 360 days	**496**	1,449
Over 360 days	**5,209**	4,761
	30,904	29,972
Other receivables and deposits	**30,066**	38,750
	60,970	68,722
Less: Provision for bad and doubtful debts	**(10,411)**	(10,411)
	50,559	58,311

8. Accounts payable, other payables and accrued expenses

An aged analysis of the accounts payable, other payables and accrued expenses of the Group are as follows:

	30th June, 2005 (Unaudited) *US$'000*	31st December, 2004 (Audited) *US$'000*
Accounts payable:		
Less than 90 days	**98,290**	92,189
91 to 180 days	**5,540**	6,329
181 to 360 days	**1,374**	4,530
Over 360 days	**4,327**	1,863
	109,531	104,911
Other payables and accrued expenses	**101,046**	91,546
	210,577	196,457

INTERIM DIVIDEND

The Directors do not recommend an interim dividend for the six months ended 30th June, 2005 (2004: nil).

FINANCIAL REVIEW

The breakdown of net profit/(loss) attributable to shareholders by activity and geographical location is as follows:

	Six months ended 30th June, 2005 (Unaudited)	2004 (Unaudited) Restated
	US$'000	*US$'000*
By activity:		
Feedmill and poultry operations	**16,020**	(26,425)
Industrial operations	**610**	22,189
Investment properties	**(421)**	(399)
Investment holding*	**(4,257)**	(13,081)
	11,952	(17,716)
By geographical location:		
PRC:		
Hong Kong	**(4,678)**	(5,797)
Mainland	**16,630**	(4,236)
	11,952	(10,033)
Indonesia	**–**	(7,683)
	11,952	(17,716)

* including Hong Kong headquarters' general expenses

FINANCIAL HIGHLIGHTS

For the six months ended 30th June, 2005, the Group recorded double-digit increase in turnover and turned around to profit. Compared with the same period in 2004, turnover grew 15.3% from US$734.5 million to US$846.9 million. Operating profit was US$39.0 million while profit attributable to shareholders reached an impressive US$12.0 million, with overall gross profit margin improved from 8.0% to 12.4%. Earnings per share for the six months ended 30th June, 2005 was US0.498 cent (2004: loss per share of US0.821 cent).

DEBT RESTRUCTURING

In April 2005, the Company secured a US$140.0 million bank loan facility with two banks in Thailand on the condition that the Company has to obtain new equity of US$30.0 million to repay its existing debts and the floating rate notes. All loans under the restructuring on the Company level amounted to approximately US$167.7 million were retired by the end of April 2005. The US$140.0 million bank loan facility will be repaid in 14 semi-annual instalments in 7 years.

After the restructuring, the Group's total borrowings as at 30th June, 2005 were substantially reduced to US$488.5 million (31st December, 2004: US$553.9 million). Debt to equity ratio was lowered to 305.3%, as compared with 538.7% as at 31st December, 2004. Total liabilities to equity ratio was lowered to 454.1%, as compared with 772.5% as at 31st December, 2004.

BUSINESS REVIEW

Agribusiness

The Group's complementary agribusiness model has four major segments – feed, food integration, breeding and rearing, and biochemical. During the period under review, the agribusiness operations recorded a turnover of US$846.9 million, compared with US$734.5 million in the corresponding period of 2004.

Feed

Feed remained as the largest sales contributor to the Group, accounting for 56.8% of the Group's total turnover (2004: 52.7%). The Group's feed products comprise chicken, swine, aqua, cattle and duck. In the first half of 2005, alleviation of the bird flu saw the demand for feed of chickens and swine rising, while raw material prices for feed production fell. As a result, the gross profit margin of the segment improved to 15.4% (2004: 10.7%).

Food Integration

Sales from food integration accounted for 28.4% of the Group's total turnover (2004: 26.7%). The increase in average selling price of raw food products and the reduced cost of raw materials such as chicken feed, led to an encouraging improvement in gross profit margin of the segment to 5.4% (2004: 1.2%).

Breeding & Rearing
This segment accounted for 4.2% of the Group's total turnover (2004: 3.1%). The rampant bird flu that affected the segment's performance last year receded and sales returned on the growth track, recording an increase of 56.7%. The unit price of day-old-chicks also rose to an average of RMB2.3, doubling gross profit as a result.

Biochemical
This segment accounted for 5.0% of the Group's total turnover (2004: 6.1%). The 9.2% rise in cost of the major raw material for producing L-Lysine and the drop in L-Lysine price resulted from over-supply dragged down the profit of this business segment during the period.

Food Safety and Compliance with International Standards
As a responsible agri-products provider, the Group makes food safety one of its core pursuits. Its products are well recognized by consumers and trusted as "Healthy & Safe". Leveraging the modern farming practice from its mother company in Thailand, the farms of the Group are scientifically managed. Strict veterinary epidemic prevention programmes are implemented. In addition, the staff and the contracted farmers are provided with routine education programmes to ensure their operations live up to high hygienic and safety standards.

Industrial Business
The Group's industrial business is operated by the Group's jointly controlled entities. In the first half of 2005, the industrial business line reported a turnover of US$121.5 million, compared with US$142.9 million in the corresponding period of 2004.

The infrastructure development projects being undertaken in western China are stimulating demand for construction machinery and the Group has been granted the sole distributor of Caterpillar Inc.'s products there. Taking all such favourable factors into account, sales of the segment will remain strong in the future.

Others
The Group's other non-core businesses, including soybean oil, with sales amounted to US$47.5 million, compared to US$84.1 million in the corresponding period of 2004. This accounted for 5.6% of the Group's total turnover.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30th June, 2005, the Group had total assets of US$886.6 million (31st December, 2004: US$897.1 million). Total debt and debt to equity ratio (debt to equity ratio is calculated by dividing the total borrowings by the net asset value) were US$488.5 million and 305.3% respectively, as compared to US$553.9 million and 538.7% as at 31st December, 2004.

Most of the borrowings by the Group are in U.S. dollars and RMB, and the interest rates ranged from 3.0% to 8.4% per annum for the period.

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 and short term and long term bank loans. The Group had cash and cash equivalents of US$54.3 million as at 30th June, 2005 (31st December, 2004: US$74.4 million), a decrease of US$20.1 million.

CHARGES ON GROUP ASSETS

As at 30th June, 2005, out of the total borrowings of US$488.5 million (31st December, 2004: US$553.9 million) obtained by the Group, only US$164.5 million (31st December, 2004: US$175.0 million) were secured and accounted for 33.7% (31st December, 2004: 31.6%) of the total. Certain of the Group's fixed assets located in the PRC with net book value of US$244.7 million (31st December, 2004: US$250.0 million) have been pledged as security for various short and long term bank loans.

CONTINGENT LIABILITIES

As at 30th June, 2005, the guarantees provided by the Group was US$26.2 million (31st December, 2004: US$14.4 million).

EMPLOYEE AND REMUNERATION POLICIES

As at 30th June, 2005, the Group employed around 44,000 staff (including 13,000 staff from the jointly controlled entities and associates) in the PRC and Hong Kong. The Group remunerates its employees based on their performances, experience and prevailing market rates while performance bonuses are granted on a discretionary basis. Other employee benefits include insurance and medical coverage, subsidized training programme as well as a share option scheme.

PROSPECTS

Looking ahead, the Group will strive to improve the profitability of its agribusiness by adjusting its product mix to include more high-margin products. To this end, the Group will continue to invest resources in R&D, seeking to blend market needs, consumer tastes and advanced technologies in product development, and further expand product offerings. Besides, the Group will invest in more advanced equipment and processing technologies to ensure the high quality of its products. All these initiatives are expected to give sales a significant boost.

On the industrial front, market demands for the Group's industrial products are expected to remain stable in the second half of the year along with the consistent growth trend of the national economy. The Group will strive to further improve the performance of its industrial business by focusing on the market expansion and enhancement of operational efficiency.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with all Code Provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules during the period except for the following deviations:

1. **Code Provision A.2.1**

   The Code Provision stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Dhanin Chearavanont was the chairman and chief executive officer of the Company. The

Board considers that Mr. Dhanin Chearavanont has substantial experience in the area of agribusiness and this could enhance the Company's decision making and operational efficiency.

2. **Code Provision A.4.2**
   The Company's Bye-laws currently only provide that, at every annual general meeting one-third of the Directors for the time being or, if their number is not a multiple of three, then the number nearest to but not exceeding one-third shall retire from office by rotation but do not expressly require every Director to be subject to retirement by rotation at least once every three years as required under Code Provision A.4.2.

3. **Code Provision B.1**
   The Company has not established a Remuneration Committee with specific terms of reference during the period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by the directors. Having made specific enquiry of all directors, the directors have complied with the required standard as set out in the Model Code throughout the six months ended 30th June, 2005.

AUDIT COMMITTEE

The Audit Committee comprises the three independent non-executive directors of the Company. The Audit Committee has reviewed with management of the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the unaudited interim financial statements.

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 period under review.

By Order of the Board
Dhanin Chearavanont
Executive Chairman

Hong Kong, 13th September, 2005

As at the date of this announcement, the Board comprises twelve executive directors, namely, Mr. Dhanin Chearavanont, Mr. Sumet Jiaravanon, Mr. Thanakorn Seriburi, Mr. Meth Jiaravanont, Mr. Anan Athigapanich, Mr. Damrongdej Chalongphuntar, Mr. Robert Ping-Hsien Ho, Mr. Bai Shan Lin, Mr. Soopakij Chearavanont, Mr. Nopadol Chiaravanont, Mr. Benjamin Jiaravanon and Mr. Narong Chearavanont, and three independent non-executive directors, namely Mr. Budiman Elkana, Mr. Kowit Wattana and Mr. Cheung Koon Yuet, Peter.

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