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C.P. POKPHAND CO. LTD.

(Incorporated in Bermuda with limited liability)

(Stock Code: 43)

**UNAUDITED RESULTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019**

Summary

The board of directors (the “Board”) of C.P. POKPHAND CO. LTD. (the “Company”) is making this announcement of the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the nine months ended 30 September 2019 in line with its current practice to publish its financial results quarterly.

The unaudited consolidated profit attributable to shareholders of the Company for the nine months ended 30 September 2019 was approximately US\$126 million.

The Board is making this announcement of the Group’s unaudited consolidated results for the nine months ended 30 September 2019 in line with its current practice to publish its financial results quarterly.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Nine months ended 30 September	
	2019	2018
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
REVENUE	4,988,883	4,972,846
Cost of sales	<u>(4,215,114)</u>	<u>(4,217,558)</u>
Gross profit	773,769	755,288
Net changes in fair value of biological assets	<u>(12,327)</u>	<u>94,409</u>
	761,442	849,697
Other income, net	28,835	24,085
Selling and distribution costs	(219,337)	(210,321)
General and administrative expenses	(252,679)	(227,397)
Finance costs	(109,670)	(60,668)
Share of profits and losses of:		
Joint ventures	1,665	2,881
Associates	<u>14,298</u>	<u>13,112</u>
PROFIT BEFORE TAX	224,554	391,389
Income tax	<u>(57,529)</u>	<u>(92,483)</u>
PROFIT FOR THE PERIOD	<u>167,025</u>	<u>298,906</u>
<i>Details of revenue (note):</i>		
<i>China feed business</i>	2,361,969	2,563,766
<i>China farm business</i>	494,915	351,844
<i>China food business</i>	202,855	165,863
<i>Vietnam feed business</i>	683,247	610,362
<i>Vietnam farm business</i>	1,168,425	1,221,521
<i>Vietnam food business</i>	77,299	59,374
<i>Others</i>	<u>173</u>	<u>116</u>
	4,988,883	4,972,846
<i>Realised changes in fair value of biological assets</i>	(152,772)	(59,633)
<i>Unrealised changes in fair value of biological assets</i>	140,445	154,042
<i>Depreciation of right-of-use assets</i>	35,918	-
<i>Other depreciation and amortisation</i>	132,458	126,160
<i>Interest expense on lease liabilities</i>	36,425	-

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(Continued)*

	Nine months ended 30 September	
	2019	2018
	US\$'000	US\$'000
	(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)	3,266	(13,386)
Income tax effect	(816)	3,348
Disposal of other financial assets	638	-
	3,088	(10,038)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences related to translation of foreign operations	(48,138)	(89,583)
Release of reserves upon step acquisition of a subsidiary	-	(1,309)
Share of other comprehensive income of:		
Joint ventures	(685)	(1,061)
Associates	(5,512)	(7,136)
	(54,335)	(99,089)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX	(51,247)	(109,127)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	115,778	189,779
Profit attributable to:		
Shareholders of the Company	125,946	210,957
Non-controlling interest	41,079	87,949
	167,025	298,906
Total comprehensive income attributable to:		
Shareholders of the Company	81,541	114,929
Non-controlling interest	34,237	74,850
	115,778	189,779

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 September 2019 <i>US\$'000</i> (Unaudited)	31 December 2018 <i>US\$'000</i> (Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	1,849,500	1,781,312
Investment properties	14,201	19,047
Land lease prepayments	176,398	174,168
Other right-of-use assets	396,580	-
Non-current biological assets	61,651	71,460
Intangible assets	21,989	26,297
Investments in joint ventures	15,564	17,114
Investments in associates	137,169	128,714
Other financial assets	16,462	15,042
Goodwill	34,122	35,461
Other non-current assets	70,539	29,494
Deferred tax assets	12,110	11,553
Total non-current assets	2,806,285	2,309,662
CURRENT ASSETS		
Inventories	653,619	629,057
Current biological assets	504,193	484,632
Trade and bills receivables	342,688	353,515
Prepayments, deposits and other receivables	439,410	391,538
Pledged deposits	17,369	34,835
Time deposits with maturity over three months	10,829	15,233
Cash and cash equivalents	467,695	392,890
Total current assets	2,435,803	2,301,700
CURRENT LIABILITIES		
Trade and bills payables	548,358	476,807
Other payables and accruals	441,671	463,896
Dividend payables	25,982	-
Lease liabilities	36,086	-
Bank borrowings	1,156,016	842,230
Corporate bond	139,892	145,041
Income tax payables	14,254	25,324
Total current liabilities	2,362,259	1,953,298
NET CURRENT ASSETS	73,544	348,402

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

	30 September	31 December
	2019	2018
	<i>US\$'000</i>	<i>US\$'000</i>
	(Unaudited)	(Audited)
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>2,879,829</u>	<u>2,658,064</u>
NON-CURRENT LIABILITIES		
Lease liabilities	415,643	-
Bank borrowings	711,706	824,096
Other non-current liabilities	56,549	49,748
Deferred tax liabilities	59,573	81,996
Total non-current liabilities	<u>1,243,471</u>	<u>955,840</u>
NET ASSETS	<u><u>1,636,358</u></u>	<u><u>1,702,224</u></u>
EQUITY		
Equity attributable to shareholders of the Company		
Issued capital	253,329	253,329
Reserves	1,046,992	1,017,731
Dividend	-	84,443
	<u>1,300,321</u>	<u>1,355,503</u>
Non-controlling interest	<u>336,037</u>	<u>346,721</u>
TOTAL EQUITY	<u><u>1,636,358</u></u>	<u><u>1,702,224</u></u>

The Group's unaudited consolidated results for the nine months ended 30 September 2019 have been prepared in accordance with the accounting policies adopted by the Group as disclosed in the audited financial statements for the financial year ended 31 December 2018, except for the new standards and amendments to International Financial Reporting Standards ("IFRSs") that are first effective for the current period. Other than the impact of IFRS 16 *Lease*, these new standards and amendments do not have significant financial effect on this financial information. Changes in accounting policy were set out in note 2 of the unaudited interim financial report for the period ended 30 June 2019.

By Order of the Board
Arunee Watcharananan
Director

Hong Kong, 13 November 2019

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 five independent non-executive directors, namely, Mr. Andrew Ma Chiu Cheung, Mr. Sombat Deo-isres, Mr. Sakda Thanitcul, Mr. Vinai Vittavasgarnvej and Mrs. Vatchari Vimooktayon.