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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 2020**

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 2020 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 2020 was approximately US\$496 million.

The Board is making this announcement of the Group’s unaudited consolidated results for the nine months ended 30 September 2020 in line with its current practice to publish its financial results quarterly.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Nine months ended 30 September	
	2020	2019
	<i>US\$'000</i>	<i>US\$'000</i>
	(Unaudited)	(Unaudited)
REVENUE	6,440,792	4,988,883
Cost of sales	<u>(4,974,897)</u>	<u>(4,215,114)</u>
Gross profit	1,465,895	773,769
Net changes in fair value of biological assets	<u>(8,740)</u>	<u>(12,327)</u>
	1,457,155	761,442
Other income, net	39,205	28,835
Selling and distribution costs	(254,794)	(219,337)
General and administrative expenses	(303,771)	(252,679)
Finance costs	(87,864)	(109,670)
Share of profits and losses of:		
Joint ventures	3,271	1,665
Associates	<u>22,698</u>	<u>14,298</u>
PROFIT BEFORE TAX	875,900	224,554
Income tax	<u>(184,310)</u>	<u>(57,529)</u>
PROFIT FOR THE PERIOD	<u>691,590</u>	<u>167,025</u>
<i>Details of revenue (note):</i>		
<i>China feed business</i>	<i>2,916,561</i>	<i>2,361,969</i>
<i>China farm business</i>	<i>675,730</i>	<i>494,915</i>
<i>China food business</i>	<i>265,040</i>	<i>202,855</i>
<i>Vietnam feed business</i>	<i>677,415</i>	<i>683,247</i>
<i>Vietnam farm business</i>	<i>1,793,880</i>	<i>1,168,425</i>
<i>Vietnam food business</i>	<i>111,992</i>	<i>77,299</i>
<i>Others</i>	<u><i>174</i></u>	<u><i>173</i></u>
	<u>6,440,792</u>	<u>4,988,883</u>
<i>Realised changes in fair value of biological assets</i>	<i>(257,748)</i>	<i>(152,772)</i>
<i>Unrealised changes in fair value of biological assets</i>	<i>249,008</i>	<i>140,445</i>
<i>Depreciation of right-of-use assets</i>	<i>31,970</i>	<i>35,918</i>
<i>Other depreciation and amortisation</i>	<i>147,921</i>	<i>132,458</i>
<i>Interest expense on lease liabilities</i>	<i>27,913</i>	<i>36,425</i>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(Continued)*

	Nine months ended 30 September	
	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)	(6,388)	3,266
Income tax effect	1,597	(816)
Disposal of other financial assets	-	638
	(4,791)	3,088
Items that may be reclassified subsequently to profit or loss:		
Exchange differences related to translation of foreign operations	31,532	(48,138)
Share of other comprehensive income of:		
Joint ventures	540	(685)
Associates	2,520	(5,512)
	34,592	(54,335)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX	29,801	(51,247)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	721,391	115,778
Profit attributable to:		
Shareholders of the Company	496,082	125,946
Non-controlling interest	195,508	41,079
	691,590	167,025
Total comprehensive income attributable to:		
Shareholders of the Company	522,970	81,541
Non-controlling interest	198,421	34,237
	721,391	115,778

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 September 2020 <i>US\$'000</i> (Unaudited)	31 December 2019 <i>US\$'000</i> (Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	2,265,108	1,988,328
Investment properties	8,014	11,904
Land use rights	211,303	207,105
Other right-of-use assets	456,995	421,209
Non-current biological assets	79,742	66,350
Intangible assets	31,878	33,375
Investments in joint ventures	20,443	16,915
Investments in associates	124,284	145,547
Other financial assets	11,224	17,206
Goodwill	35,919	35,030
Other non-current assets	66,258	69,918
Deferred tax assets	11,452	12,154
Total non-current assets	3,322,620	3,025,041
CURRENT ASSETS		
Inventories	813,405	753,403
Current biological assets	618,419	571,946
Trade and bills receivables	374,865	258,011
Prepayments, deposits and other receivables	292,016	295,081
Pledged deposits	15,317	17,699
Time deposits with maturity over three months	10,717	2,293
Cash and cash equivalents	796,724	422,364
Total current assets	2,921,463	2,320,797
CURRENT LIABILITIES		
Trade and bills payables	468,303	446,116
Other payables and accruals	609,802	559,094
Dividend payables	97,434	-
Lease liabilities	44,017	36,749
Bank borrowings	985,815	1,174,796
Income tax payables	77,581	21,390
Total current liabilities	2,282,952	2,238,145
NET CURRENT ASSETS	638,511	82,652

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

	30 September	31 December
	2020	2019
	<i>US\$'000</i>	<i>US\$'000</i>
	(Unaudited)	(Audited)
TOTAL ASSETS LESS CURRENT LIABILITIES	3,961,131	3,107,693
NON-CURRENT LIABILITIES		
Lease liabilities	473,445	440,361
Bank borrowings	977,180	548,180
Corporate bond	-	11,833
Other non-current liabilities	57,276	57,908
Deferred tax liabilities	65,232	82,373
Total non-current liabilities	1,573,133	1,140,655
NET ASSETS	2,387,998	1,967,038
EQUITY		
Equity attributable to shareholders of the Company		
Issued capital	253,329	253,329
Reserves	1,590,853	1,216,998
Dividend	-	77,947
	1,844,182	1,548,274
Non-controlling interest	543,816	418,764
TOTAL EQUITY	2,387,998	1,967,038

The Group's unaudited consolidated results for the nine months ended 30 September 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.

By Order of the Board
Arunee Watcharananan
Director

Hong Kong, 12 November 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 five independent non-executive directors, namely, Mr. Vinai Vittavasgarnvej, Mrs. Vatchari Vimooktayon, Mr. Cheng Yuk Wo, Professor Dr. Pongsak Angkasith and General Udomdej Sitabutr.