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C.P. POKPHAND CO. LTD.

(Incorporated in Bermuda with limited liability)

(Stock Code: 43)

Voluntary Announcement

Reference is made to the circular of C.P. POKPHAND CO. LTD. (the “Company” or “CPP”) dated 21 June 2011 (the “Circular”) in relation to, among other things, the acquisition (the “Acquisition”) of the entire interest in the issued share capital of Modern State Investments Limited (“Modern State”) and the announcement of the Company dated 29 July 2011 regarding the completion of the Acquisition which had taken place on 29 July 2011. Unless the context otherwise requires, terms used in this announcement shall have the same meanings as in the Circular.

For the purposes of presenting to the shareholders of and potential investors in the Company certain unaudited relevant financial information on Modern State and its subsidiary (the “Modern State Group”) in addition to that included in the Circular, the Company hereby voluntarily announces the unaudited financial information of the Modern State Group for the six months ended 30 June 2011 and 30 June 2010. Ernst & Young, the Company’s auditors, have reviewed the unaudited financial information of the Modern State Group for the six months ended 30 June 2011 and 30 June 2010 and their report is set out below in this announcement.

I. MANAGEMENT COMMENTS ON THE UNAUDITED FINANCIAL INFORMATION

(A) OVERALL RESULTS FOR THE FIRST HALF OF 2011

The Modern State Group recorded a profit of US\$97.2 million for the six months ended 30 June 2011 (2010: US\$16.3 million). Revenue, gross profit and net profit grew by 34%, 110% and 496% respectively when compared with the same period last year. The exceptional growth of the Modern State Group in the first half of 2011 was primarily attributable to the strong performance in the underlying business and the fair value changes in livestock. The high livestock prices in Vietnam as a result of a reduced supply of pigs in the period benefited the operational results of its swine business and also resulted in a significant livestock fair value gain recorded in its results for the first half of 2011.

(B) EFFECT OF FAIR VALUE CHANGES IN LIVESTOCK ON RESULTS OF THE MODERN STATE GROUP

Fair value changes in livestock, which are non-cash adjustments, for the six months ended 30 June 2011 amounted to US\$56.1 million (2010: loss of US\$1.3 million). Details are set out below:

(US\$ million)	Six months ended 30 June	
	2011 (unaudited)	2010 (unaudited)
Realised fair value changes (included in cost of sales)	(22.8)	(20.0)
Unrealised fair value changes	78.9	18.7
	<u>56.1</u>	<u>(1.3)</u>

It should be noted that fair value changes in livestock are affected by a number of factors, including the market price, production and product mix of livestock during and at the end of each reporting period. Accordingly, the amount of fair value changes in livestock in different reporting periods may differ significantly.

As of the date of this announcement, livestock prices in Vietnam have softened since the peak in around July 2011. If livestock prices in Vietnam are to remain at current levels for the remaining part of 2011, the amount of unrealised fair value changes in livestock for the second half of 2011 is expected to drop when compared to the level reached in the first half of 2011. Coupled with the charging, in the second half of 2011, a substantial amount of unrealised fair value changes in livestock carried forward from the first half of 2011 and the expected effect of reduced livestock prices on its operational performance, the results of the Modern State Group for the second half of 2011 will likely be unfavourably impacted. Therefore, the market price, production and product mix of livestock during and at the end of the second half of 2011 are likely to cause significant negative variations in the results of the Modern State Group for the second half of 2011 when compared to those for the first half of 2011.

I. MANAGEMENT COMMENTS ON THE UNAUDITED FINANCIAL INFORMATION

(B) EFFECT OF FAIR VALUE CHANGES IN LIVESTOCK ON RESULTS OF THE MODERN STATE GROUP (continued)

The completion of the Acquisition took place on 29 July 2011. As such, the first half 2011 results of the Modern State Group will not be consolidated into the accounts of the Company. Only post-acquisition (i.e. the period from the date of acquisition to 31 December 2011) results of the Modern State Group, which will take into account the potential negative impact stemming from fair value changes in livestock for such period, will be consolidated into the accounts of the Company in the year 2011.

(C) TECHNICAL SERVICE FEE

For the six months ended 30 June 2010, the technical service fee of US\$14,262,000, equivalent to 3.0% of the net sales value of the products sold by C. P. Vietnam Corporation (previously known as C. P. Vietnam Livestock Corporation), a subsidiary held as to 70.82% by Modern State since 25 March 2011, was paid to the ultimate holding company, Charoen Pokphand Group Company Limited.

Commencing from 1 January 2011, the technical service fee payable to Charoen Pokphand Group Company Limited has been reduced to 1.5% of the net sales value, while Modern State has been entitled to technical service fee equivalent to 1.5% of the net sales value. The technical service fee attributable to Modern State for the six months ended 30 June 2011 amounted to US\$9,599,000 (30 June 2010: US\$7,131,000, had the same arrangement applied).

II. REVIEW REPORT ON UNAUDITED FINANCIAL INFORMATION OF THE MODERN STATE GROUP

To the board of directors of C.P. Pokphand Co. Ltd.
(Incorporated in Bermuda with limited liability)

Introduction

We have reviewed the financial information of Modern State Investments Limited and its subsidiary set out in section III of the announcement of C.P. Pokphand Co. Ltd. (the “Company”) dated 15 November 2011, which comprise the combined statements of financial position as at 30 June 2011 and 30 June 2010 and the combined statements of comprehensive income for the six months ended 30 June 2011 and 30 June 2010 and other explanatory information (hereinafter referred to as the “Financial Information”).

The directors of the Company are responsible for the preparation and fair presentation of the Financial Information in accordance with the basis of presentation set out in note 1 to the Financial Information. Our responsibility is to express a conclusion on the Financial Information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Hong Kong Institute of Certified Public Accountants. A review of the Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Financial Information is not prepared, in all material respects, in accordance with the basis of presentation set out in note 1 to the Financial Information.

Ernst & Young

Certified Public Accountants

18th Floor

Two International Finance Centre

8 Finance Street, Central

Hong Kong

15 November 2011

III. UNAUDITED FINANCIAL INFORMATION OF THE MODERN STATE GROUP

MODERN STATE INVESTMENTS LIMITED COMBINED STATEMENTS OF COMPREHENSIVE INCOME

		Six months ended 30 June	
		2011	2010
		(unaudited)	(unaudited)
	<i>Notes</i>	<i>US\$'000</i>	<i>US\$'000</i>
CONTINUING OPERATIONS			
REVENUE		648,182	483,000
Cost of sales	2	<u>(549,158)</u>	<u>(435,865)</u>
Gross profit		99,024	47,135
Unrealised gain on fair value adjustments of livestock		<u>78,898</u>	<u>18,690</u>
		177,922	65,825
Other income		3,445	2,201
Selling and distribution costs		(6,725)	(6,590)
General and administrative expenses		(12,883)	(9,268)
Technical service fee		(9,599)	(14,262)
Other losses, net		(7,214)	(5,560)
Finance costs		<u>(25,637)</u>	<u>(10,511)</u>
PROFIT BEFORE INCOME TAX	3	119,309	21,835
Income tax		<u>(22,070)</u>	<u>(5,507)</u>
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		97,239	16,328
DISCONTINUED OPERATION			
Profit for the period from a discontinued operation attributable to equity holder of Modern State		<u>-</u>	<u>1,873</u>
PROFIT FOR THE PERIOD		97,239	18,201
OTHER COMPREHENSIVE LOSS			
Exchange differences on translation of foreign operations		<u>(10,647)</u>	<u>(6,475)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>86,592</u>	<u>11,726</u>

III. UNAUDITED FINANCIAL INFORMATION OF THE MODERN STATE GROUP

MODERN STATE INVESTMENTS LIMITED COMBINED STATEMENTS OF COMPREHENSIVE INCOME (continued)

	Six months ended 30 June	
	2011	2010
	(unaudited)	(unaudited)
	<i>US\$'000</i>	<i>US\$'000</i>
Profit from continuing operations attributable to:		
Equity holder of Modern State	71,369	11,288
Non-controlling interests	<u>25,870</u>	<u>5,040</u>
	<u>97,239</u>	<u>16,328</u>
Profit attributable to:		
Equity holder of Modern State	71,369	13,161
Non-controlling interests	<u>25,870</u>	<u>5,040</u>
	<u>97,239</u>	<u>18,201</u>
Total comprehensive income attributable to:		
Equity holder of Modern State	63,137	8,537
Non-controlling interests	<u>23,455</u>	<u>3,189</u>
	<u>86,592</u>	<u>11,726</u>

III. UNAUDITED FINANCIAL INFORMATION OF THE MODERN STATE GROUP

MODERN STATE INVESTMENTS LIMITED COMBINED STATEMENTS OF FINANCIAL POSITION

	At 30 June	
	2011	2010
	(unaudited)	(unaudited)
	US\$'000	US\$'000
NON-CURRENT ASSETS		
Property, plant and equipment	158,824	148,791
Land lease prepayments	4,950	1,854
Non-current livestock	40,373	25,753
Intangible assets	1,806	1,133
Long term deposits	233	35
	<u>206,186</u>	<u>177,566</u>
CURRENT ASSETS		
Land lease prepayments	1,652	696
Inventories	308,410	180,833
Current livestock	163,263	85,085
Accounts receivable, other receivables and deposits	70,673	69,754
Cash and cash equivalents	8,080	20,688
	<u>552,078</u>	<u>357,056</u>
CURRENT LIABILITIES		
Accounts payable, other payables and accrued expenses	80,051	65,404
Income tax payable	6,920	2,070
Interest-bearing bank and other borrowings	347,433	232,884
	<u>434,404</u>	<u>300,358</u>
NET CURRENT ASSETS	<u>117,674</u>	<u>56,698</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>323,860</u>	<u>234,264</u>
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	15,957	10,556
Provision for severance allowance	2,466	2,309
Deferred tax liabilities	16,523	4,085
	<u>34,946</u>	<u>16,950</u>
Net assets	<u>288,914</u>	<u>217,314</u>

III. UNAUDITED FINANCIAL INFORMATION OF THE MODERN STATE GROUP

MODERN STATE INVESTMENTS LIMITED COMBINED STATEMENTS OF FINANCIAL POSITION (continued)

	At 30 June	
	2011 (unaudited) <i>US\$'000</i>	2010 (unaudited) <i>US\$'000</i>
EQUITY		
Equity attributable to equity holder of Modern State		
Issued capital	106,984	-
Reserves	<u>100,149</u>	<u>146,060</u>
	207,133	146,060
Non-controlling interests	<u>81,781</u>	<u>71,254</u>
Total equity	<u>288,914</u>	<u>217,314</u>

Robert Ping-Hsien Ho
Director

Sooksunt Jiumjaiswanglerg
Director

III. UNAUDITED FINANCIAL INFORMATION OF THE MODERN STATE GROUP

MODERN STATE INVESTMENTS LIMITED UNAUDITED NOTES TO THE FINANCIAL INFORMATION

1. BASIS OF PRESENTATION

The financial information of Modern State Investments Limited (“Modern State”) and its subsidiary (collectively the “Modern State Group”) comprises the combined statements of financial position as at 30 June 2011 and 30 June 2010 and the combined statements of comprehensive income for the six months ended 30 June 2011 and 30 June 2010 (hereinafter referred as the “Financial Information”).

The Financial Information has been prepared for the purpose of providing certain financial information of the Modern State Group to the board of directors of C. P. Pokphand Co. Ltd. (“CPP”). As such, the Financial Information is not a complete set of financial statements of Modern State prepared in accordance with International Financial Reporting Standards (“IFRS”) and is not intended to present fairly in all material respects (or to give a true and fair view of) the combined financial position of the Modern State Group as of 30 June 2011 and 30 June 2010 and of its results of operations for each of the six-month periods ended 30 June 2011 and 30 June 2010 in accordance with IFRS. The Financial Information may, therefore, not be suitable for any other purpose.

Other than as further explained below regarding the basis of combination in respect of the presentation of the Financial Information for the reorganisation undertaken by the Modern State Group as detailed in the circular (the "Circular") of CPP dated 21 June 2011 (page 84, note 1.1), the Financial Information has been prepared using accounting policies which are consistent with those adopted by its holding company, CPP, as set out in its published 2010 Annual Report and the 2011 Interim Report.

Business combinations of entities under common control are accounted for using the merger method of accounting. CPP’s policy is not to restate the financial information for periods prior to the completion of a combination under common control, whereas in the preparation of the Financial Information as set out above, the financial statement items of each of the combining entities or businesses are included from the earliest date presented or since the date when the combining entities or businesses first came under common control, where this is a shorter period. Further details of which are set out in the Circular (page 85, note 2.3).

The Financial Information is presented in United States dollars ("US\$") and all values are rounded to the nearest thousand except when otherwise indicated.

III. UNAUDITED FINANCIAL INFORMATION OF THE MODERN STATE GROUP

MODERN STATE INVESTMENTS LIMITED UNAUDITED NOTES TO THE FINANCIAL INFORMATION

2. COST OF SALES

	Six months ended 30 June	
	2011 (unaudited) US\$'000	2010 (unaudited) US\$'000
Cost	526,302	415,885
Realised fair value changes of livestock	22,856	19,980
	<u>549,158</u>	<u>435,865</u>

3. PROFIT BEFORE INCOME TAX

The Modern State Group's profit before income tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2011 (unaudited) US\$'000	2010 (unaudited) US\$'000
Unrealised gain arising from changes in fair value of livestock:		
Non-current	(13,488)	(404)
Current	(65,410)	(18,286)
	<u>(78,898)</u>	<u>(18,690)</u>
Depreciation	8,150	6,113
Amortisation of land lease prepayments	609	673
Amortisation of intangible assets	437	244

4. APPROVAL OF THE FINANCIAL INFORMATION

The Financial Information was approved and authorised for issue by the board of directors of CPP on 15 November 2011.

By Order of the Board
Robert Ping-Hsien Ho
Director

Hong Kong, 15 November 2011

As at the date of this announcement, the Board comprises nine executive directors, namely, Mr. Dhanin Chearavanont, Mr. Thanakorn Seriburi, Mr. Soopakij Chearavanont, Mr. Anan Athigapanich, Mr. Damrongdej Chalongphuntarat, Mr. Bai Shanlin, Mr. Suphachai Chearavanont, Mr. Robert Ping-Hsien Ho and Mr. Sooksunt Jiumjaiswanglerg, two non-executive directors, namely Mr. Meth Jiaravanont and Mr. Patrick Thomas Siewert (Mr. Poon Yee Man Alwin as alternate director), and three independent non-executive directors, namely, Mr. Ma Chiu Cheung, Andrew, Mr. Sombat Deo-isres and Mr. Sakda Thanitcul.