

**- Translation -**

No. Bor Mor Jor. Jor Por Or. 054/2019

August 13, 2019

Subject Management's Discussion and Analysis for the operating results of the second quarter of 2019 which decreased over 20% from that of the previous year

Attention President  
The Stock Exchange of Thailand

Charoen Pokphand Foods Public Company Limited would like to inform you the operating results of the Company and subsidiaries (collectively called the "Company") for the second quarter of 2019 as follows:

The Company's revenues from sales in the second quarter of 2019 was Baht 133,896 million. The breakdown of revenues from sales comparing to the same period of the previous year is as follows.

The Company's revenues from sales in the second quarter of 2018–2019

	2 <sup>nd</sup> quarter of 2018		2 <sup>nd</sup> quarter of 2019		Change
	Million Baht		Million Baht		
<b>1. Thailand operations</b>	<b>43,615</b>	<b>32%</b>	<b>43,897</b>	<b>33%</b>	<b>1%</b>
<b>2. International operations</b>	<b>92,738</b>	<b>68%</b>	<b>89,999</b>	<b>67%</b>	<b>-3%</b>
<b>Total revenues from sales</b>	<b>136,353</b>	<b>100%</b>	<b>133,896</b>	<b>100%</b>	<b>-2%</b>
<b>Net profit</b>	<b>5,894</b>		<b>4,104</b>		<b>-30%</b>

The Company's net profit in the second quarter of 2019 was at Baht 4,104 million, decreased by Baht 1,709 million or 30% decreased from the same period last year. This was due to the Labour Protection Act (No. 7) B.E. 2562 which has been effective since May 5, 2019. The said Act mandates employers to increase the severance pay rate from 300 days to 400 days for an employee who has worked for 20 consecutive year or more. This has caused the Company to recognize additional expenses amounting to Baht 1,812 million in second quarter of 2019.

Please be informed accordingly.

Sincerely yours,

Kobboon Srichai

(Mrs. Kobboon Srichai)  
Company Secretary