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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other licensed securities dealer, bank manager, solicitor, certified public accountant or other professional adviser.

If you have sold or transferred all your shares in **C.P. POKPHAND CO. LTD.**, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**C.P. POKPHAND CO. LTD.**

(Incorporated in Bermuda with limited liability)

(Stock Code: 43)

**CONTINUING CONNECTED TRANSACTIONS
AND
NOTICE OF SPECIAL GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**

東方融資(香港)
ORIENT CAPITAL (HONG KONG)

A letter from the Board is set out on pages 4 to 12 of this circular. A letter from the Independent Board Committee and a letter from the Independent Financial Adviser, Orient Capital (Hong Kong) Limited, containing its advice to the Independent Board Committee and the Independent Shareholders, are set out on page 13 and pages 14 to 30 of this circular respectively.

A notice convening the special general meeting of C.P. POKPHAND CO. LTD. to be held at Suites 6411-6416, 64th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong on 13 December 2016 at 10:00 a.m., is set out on pages 35 to 36 of this circular.

Whether or not you are able to attend the said meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the said meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the said meeting or any adjournment thereof should you so wish.

28 November 2016

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	
A. INTRODUCTION	4
B. CONTINUING CONNECTED TRANSACTIONS	5
C. INFORMATION ON THE PARTIES	10
D. REASONS FOR RENEWAL OF THE CONTINUING CONNECTED TRANSACTIONS	11
E. LISTING RULES IMPLICATIONS	11
F. RECOMMENDATION	12
G. SPECIAL GENERAL MEETING	12
H. FURTHER INFORMATION	12
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	13
LETTER FROM ORIENT CAPITAL (HONG KONG) LIMITED	14
APPENDIX – GENERAL INFORMATION	31
NOTICE OF SPECIAL GENERAL MEETING	35

DEFINITIONS

In this circular, unless the context otherwise requires or otherwise defined, the following expressions have the following meanings:

“2013 Master CPP Purchase Agreement”	the agreement dated 14 November 2013 made between the Company as purchaser and CPT as supplier for the purchase from CPT and/or its related entities raw materials, machinery and equipment, promotional products, packaging materials, breed and farm livestock and aqua stock, meats and other items required for the production and sale of animal and aqua feed, farm and food products and chlortetracycline products by the Group which the Group may require in the normal course of business and which CPT and/or its related entities may be able to supply from time to time
“2013 Master CPP Supply Agreement”	the agreement dated 14 November 2013 made between the Company as supplier and HOEL as purchaser for the supply of various feed-related, farm-related and food-related products produced or procured by the Group, such as animal feed, chlortetracycline, animal drugs and feed raw materials, breeding and farming livestock, and processed meats and food products produced or procured by the Group to any related entity designated by HOEL, which may be required by such entity and which the Group may be able to supply from time to time
“2016 Master CPP Purchase Agreement”	the agreement dated 31 October 2016 made between the Company as purchaser and HOEL as supplier for the purchase of the CPP Purchase Products from the HOEL Group by the Group, which the Group may require in the normal course of business and which the HOEL Group may be able to supply with a term of three years until 31 December 2019
“2016 Master CPP Supply Agreement”	the agreement dated 31 October 2016 made between the Company as supplier and HOEL as purchaser for the supply of the CPP Supply Products by the Group to the HOEL Group, which may be required by the HOEL Group and which the Group may be able to supply with a term of three years until 31 December 2019
“associate(s)”	has the meaning ascribed to this term in the Listing Rules
“Board”	the board of directors of the Company
“Company”	C.P. Pokphand Co. Ltd., an exempted company incorporated in Bermuda whose Shares are listed and traded on the Main Board of the Stock Exchange under stock code 43
“connected persons”	has the meaning ascribed to this term in the Listing Rules

DEFINITIONS

“Continuing Connected Transactions”	the continuing connected transactions contemplated under the 2016 Master CPP Supply Agreement and the 2016 Master CPP Purchase Agreement
“CPF”	Charoen Pokphand Foods Public Company Limited, a company organised and existing under the laws of the Kingdom of Thailand whose shares are listed and traded on the Stock Exchange of Thailand
“CPG”	Charoen Pokphand Group Company Limited, a company organised and existing under the laws of the Kingdom of Thailand
“CPP Purchase Products”	the products to be purchased by the Group from the HOEL Group under the 2016 Master CPP Purchase Agreement, including feed raw materials, packaging materials, livestock and aquatic products, meats and other items required in the production of feed-related, farm-related and food-related products
“CPP Supply Products”	the products to be supplied by the Group to the HOEL Group under the 2016 Master CPP Supply Agreement, including various feed-related, farm-related and food-related products produced or procured by the Group, including animal feed, feed raw materials, livestock and aquatic products, and processed meats and food products
“CPT”	C.P. Trading Co., Ltd., a company incorporated in the British Virgin Islands with limited liability
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HOEL”	High Orient Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability
“HOEL Group”	HOEL and its associates
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board comprising the Company’s independent non-executive Directors, Mr. Ma Chiu Cheung, Andrew, Mr. Sombat Deo-isres, Mr. Sakda Thanitcul, Mr. Vinai Vittavagarnvej and Mrs. Vatchari Vimooktayon, which has been established to advise the Independent Shareholders in respect of the Continuing Connected Transactions

DEFINITIONS

“Independent Shareholders”	Shareholders other than CPG and its associates
“Latest Practicable Date”	22 November 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Orient Capital” or “Independent Financial Adviser”	Orient Capital (Hong Kong) Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the terms of the 2016 Master CPP Supply Agreement, the 2016 Master CPP Purchase Agreement and the Continuing Connected Transactions (including the respective annual caps)
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“SGM”	a special general meeting of the Company to be held to consider and, if thought fit, approve, among other things, the 2016 Master CPP Supply Agreement, the 2016 Master CPP Purchase Agreement and the Continuing Connected Transactions (including the proposed annual caps)
“Shareholders”	holders of Shares from time to time
“Shares”	ordinary shares of US\$0.01 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to this term in the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States of America

Note: For the purpose of this circular, the exchange rate for the conversion of US\$ into HK\$ for indication only is: US\$1.0 = HK\$7.75.

LETTER FROM THE BOARD



C.P. POKPHAND CO. LTD.

(Incorporated in Bermuda with limited liability)

(Stock Code: 43)

Executive Directors:

Mr. Dhanin Chearavanont (*Chairman*)

Mr. Adirek Sripratak

Mr. Soopakij Chearavanont

Mr. Bai Shanlin

Mr. Sooksunt Jiumjaiswanglerg

Mr. Anan Athigapanich

Mr. Suphachai Chearavanont

Mrs. Arunee Watcharananan

Non-executive Directors:

Mr. Meth Jiaravanont

Mr. Yoichi Ikezoe

Independent non-executive Directors:

Mr. Ma Chiu Cheung, Andrew

Mr. Sombat Deo-isres

Mr. Sakda Thanitcul

Mr. Vinai Vittavasgarnvej

Mrs. Vatchari Vimooktayon

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

Principal place of business

in Hong Kong:

21st Floor

Far East Finance Centre

16 Harcourt Road

Hong Kong

28 November 2016

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS AND NOTICE OF SPECIAL GENERAL MEETING

A. INTRODUCTION

Reference is made to the announcement of the Company dated 31 October 2016 in relation to the 2016 Master CPP Supply Agreement and the 2016 Master CPP Purchase Agreement entered into by the Company with HOEL, respectively. The transactions contemplated under the 2016 Master CPP Supply Agreement and the 2016 Master CPP Purchase Agreement are treated as if they were continuing connected transactions for the Company under Chapter 14A of the Listing Rules which are subject to independent shareholders' approval at the SGM.

LETTER FROM THE BOARD

Mr. Ma Chiu Cheung, Andrew, Mr. Sombat Deo-isres, Mr. Sakda Thanitcul, Mr. Vinai Vittavasgarnvej and Mrs. Vatchari Vimooktayon, being all the independent non-executive Directors of the Company, have been appointed by the Board to serve as members of the Independent Board Committee to advise and make recommendation to the Independent Shareholders as to how to vote at the SGM on the resolutions regarding the 2016 Master CPP Supply Agreement, the 2016 Master CPP Purchase Agreement and the Continuing Connected Transactions (including the respective annual caps).

Orient Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the 2016 Master CPP Supply Agreement, the 2016 Master CPP Purchase Agreement and the Continuing Connected Transactions (including the respective annual caps) are fair and reasonable and on normal commercial terms, in the ordinary and usual course of business and in the interests of the Company and the Shareholders as a whole.

The purpose of this circular is to provide you with, among other things, further information regarding the Continuing Connected Transactions (including the proposed annual caps), to set out the advice from Orient Capital to the Independent Board Committee and the Independent Shareholders and the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the 2016 Master CPP Supply Agreement, the 2016 Master CPP Purchase Agreement and the Continuing Connected Transactions (including the respective annual caps), and to give notice of the SGM.

B. CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 14 November 2013 and the circular of the Company dated 4 December 2013 in relation to, among other things, the 2013 Master CPP Supply Agreement and the 2013 Master CPP Purchase Agreement. As the 2013 Master CPP Supply Agreement and the 2013 Master CPP Purchase Agreement will expire on 31 December 2016 and the Company intends to continue the transactions contemplated thereunder, on 31 October 2016, the Company entered into the 2016 Master CPP Supply Agreement and the 2016 Master CPP Purchase Agreement respectively with HOEL.

1 2016 MASTER CPP SUPPLY AGREEMENT

(a) Date

31 October 2016

(b) Parties

- (i) The Company (as supplier)
- (ii) HOEL (as purchaser)

(c) Subject matter

Supply to the HOEL Group of the CPP Supply Products which may be required by the HOEL Group.

LETTER FROM THE BOARD

(d) Pricing policy

As a general principle, the price and terms of individual orders in respect of the supply of the CPP Supply Products by the Group to the HOEL Group will be on normal commercial terms, negotiated on an arm's length basis similar to that on which the Group transacts business with independent third party customers and on terms which are no less favourable to the Group than those provided to independent third party customers.

Prices are to be determined with reference to the prevailing market prices of the CPP Supply Products in the PRC and Vietnam (whichever country is relevant) at the relevant time. Prices of the CPP Supply Products to be supplied under the 2016 Master CPP Supply Agreement are determined with reference to the cost of raw materials, other value added (for example, manufacturing and marketing) and profit margins. Depending on the type of products, the Group will maintain different profit margins for different CPP Supply Products. In determining the prevailing market prices of the CPP Supply Products, the Group will also consider competitive prices offered by independent third-party suppliers, and offered by the Group to independent third-party purchasers, for similar products. Prices are updated regularly as market conditions change. A volume discount will be granted to customers if the annual purchase volume reaches specified levels. Prices of the CPP Supply Products and any volume discount given are monitored and reviewed by sales departments and approved by the heads of individual business units, to ensure the transactions conducted under the 2016 Master CPP Supply Agreement are entered into on normal commercial terms or better, and on fair and reasonable basis. The actual methods and procedures to determine the prices for the CPP Supply Products described above are the same as the methods and procedures used to determine the prices of products to be supplied to independent third parties.

(e) Payment terms

The Group will generally offer credit terms of up to 60 days from delivery but may adjust such terms taking into account generally accepted market terms from time to time. Payment shall be made by telegraphic transfer or other payment methods generally acceptable to the Group from purchasers who are independent third parties. Interest shall be charged by the Group for overdue payment.

(f) Term

The 2016 Master CPP Supply Agreement shall take effect from 1 January 2017 and continue until 31 December 2019. The 2016 Master CPP Supply Agreement is subject to the approval of the Independent Shareholders.

(g) Historical amount of supply

The historical amount paid to the Group under the 2013 Master CPP Supply Agreement for each of the financial years ended 31 December 2014 and 31 December 2015 and the nine months ended 30 September 2016 were US\$545 million (approximately HK\$4,224 million), US\$567 million (approximately HK\$4,394 million) and US\$480 million (approximately HK\$3,720 million) respectively.

LETTER FROM THE BOARD

(h) Annual caps

The annual caps for the supply of the CPP Supply Products by the Group to the HOEL Group under the 2016 Master CPP Supply Agreement for the financial years ending 31 December 2017, 2018 and 2019 respectively are proposed to be US\$1,375 million (approximately HK\$10,656 million), US\$2,269 million (approximately HK\$17,585 million) and US\$2,906 million (approximately HK\$22,522 million).

The above annual caps have been determined with reference to (i) the value of the historical sales under the 2013 Master CPP Supply Agreement by the Group for each of the two financial years ended 31 December 2015 and the nine months ended 30 September 2016; (ii) the prevailing market prices of the CPP Supply Products and allowances for possible price increases in line with consumer prices; and (iii) the projected increase in the sales volume to the HOEL Group of the CPP Supply Products for the relevant future period due, firstly, to the potential growth of the Group's business, including the inclusion of processed meats and food products as a result of the upcoming commencement of production at the plants of our food companies in the PRC during the relevant future period and, secondly, to the projected increase in the demand for the feed-related CPP Supply Products by the HOEL Group brought about by the planned substantial capacity expansion of the swine and chicken farms to be operated by the HOEL Group in the PRC during the relevant future period.

As mentioned in the Company's announcements dated 6 August 2013, 18 February 2015 and 24 August 2015, construction works, equipment installation and fitting out are currently being carried out at the plants of the Group's food companies in the PRC which are presently in the Group (the "Existing CPP Food Companies"). Each of the Existing CPP Food Companies is a wholly-owned subsidiary of the Company and had been established to engage principally in the production and sale of value-added processed food products in the PRC. These value-added processed food products include dumplings, buns, nuggets, dim sum, cooked food and other food products. The main raw materials of these value-added processed food products are pork, chicken meat and other meat. Certain production lines of the Existing CPP Food Companies had recently commenced production and the Group supplied approximately 18,000 tonnes or US\$38 million in value of processed food products during the nine months ended 30 September 2016 under the 2013 Master CPP Supply Agreement. It is envisaged that the other production lines of the Existing CPP Food Companies will commence production during the relevant future period. Upon commencement of production, the HOEL Group will also become a customer of these other Existing CPP Food Companies, selling the food products through its distribution channel. The planned production volume of the Existing CPP Food Companies is projected to reach approximately 200,000, 400,000 and 500,000 tonnes per annum for 2017, 2018 and 2019, respectively. The estimated maximum transaction value of the food-related CPP Supply Products is approximately US\$501 million, US\$1,019 million and US\$1,281 million for 2017, 2018 and 2019, respectively. Accordingly, the Group's estimated supply of the food-related CPP Supply Products to the HOEL Group will increase substantially.

In relation to the feed-related CPP Supply Products, the Group had supplied approximately 900,000 tonnes or US\$406 million of feed products to HOEL Group during the nine months ended 30 September 2016 under the 2013 Master CPP Supply Agreement to support their farming

LETTER FROM THE BOARD

activities of swine and chicken. As indicated by HOEL, the HOEL Group plans to set up and acquire a large number of additional swine and chicken farms in the next three years in the PRC as part of its expansion strategy in the PRC. As the total demand from these additional farms is expected to be about two times the HOEL Group's current demand for the feed-related CPP Supply Products in the PRC, the Group's estimated supply of the feed-related CPP Supply Products to the HOEL Group will increase substantially. The estimated maximum transaction value of the feed-related CPP Supply Products is approximately 1,800,000 tonnes or US\$794 million in value, 2,700,000 tonnes or US\$1,170 million in value and 3,600,000 tonnes or US\$1,545 million in value for 2017, 2018 and 2019, respectively.

2 2016 MASTER CPP PURCHASE AGREEMENT

(a) Date

31 October 2016

(b) Parties

- (i) The Company (as purchaser)
- (ii) HOEL (as supplier)

Previously, the 2013 Master CPP Purchase Agreement was entered into by the Company with CPT pursuant to which CPT and/or its related entities (including associates of HOEL) would supply CPP Purchase Products to the Group. CPT is no longer deemed to be a substantial shareholder of the Company due to changes in some of its shareholders. However, CPT's related entities which have been supplying CPP Purchase Products are also associates of HOEL. As HOEL is a subsidiary of CPG which is considered a substantial shareholder of the Company, the Company therefore entered into the 2016 Master CPP Purchase Agreement with HOEL instead to provide for the purchase of CPP Purchase Products from the same group of entities which are included in the HOEL Group.

(c) Subject matter

Purchase from the HOEL Group of the CPP Purchase Products required by the Group in the production of feed-related, farm-related and food-related products.

(d) Pricing policy

The Group adopts the same price determination procedures for the purchase of the CPP Purchase Products by the Group from the HOEL Group as that for the purchase of similar products from independent third party suppliers. The Group compares the quote from the HOEL Group with quotes from at least two independent third party suppliers for a similar volume of the same or similar products of comparable standards and decide to purchase from which supplier. The process is to ensure that the price for the same volume of the same or similar CPP Purchase Products offered by the HOEL Group will not be higher than those offered by independent third party suppliers.

LETTER FROM THE BOARD

(e) Payment terms

The Group will generally request for credit terms of up to 60 days from delivery but this may be adjusted taking into account generally accepted market terms from time to time. Payment shall be made by telegraphic transfer or other payment methods acceptable to the HOEL Group from other purchasers who are independent third parties.

(f) Term

The 2016 Master CPP Purchase Agreement shall take effect from 1 January 2017 and continue until 31 December 2019. The 2016 Master CPP Purchase Agreement is subject to the approval of the Independent Shareholders.

(g) Historical amount of purchase

The historical amount paid by the Group under the 2013 Master CPP Purchase Agreement for each of the financial years ended 31 December 2014 and 31 December 2015 and the nine months ended 30 September 2016 were US\$455 million (approximately HK\$3,526 million), US\$521 million (approximately HK\$4,038 million) and US\$373 million (approximately HK\$2,891 million) respectively.

(h) Annual caps

The annual caps for the purchase of the CPP Purchase Products by the Group from entities which are included in the HOEL Group under the 2016 Master CPP Purchase Agreement for the financial years ending 31 December 2017, 2018 and 2019 respectively are proposed to be US\$1,295 million (approximately HK\$10,036 million), US\$1,839 million (approximately HK\$14,252 million) and US\$2,240 million (approximately HK\$17,360 million).

The above annual caps have been determined with reference to (i) the value of the historical purchases under the 2013 Master CPP Purchase Agreement by the Group from the same entities which are included in the HOEL Group for each of the two financial years ended 31 December 2015 and the nine months ended 30 September 2016; (ii) the prevailing market prices of the CPP Purchase Products taking into account allowances for possible price increases in line with consumer prices; and (iii) the projected increase in the overall purchase volume of CPP Purchase Products for the relevant future period due to the growth of the Group's business, including that arising from the commencement of production at the plants of our food companies in the PRC.

LETTER FROM THE BOARD

In relation to the growth of the Group's business which is expected to lead to a projected increase in the food-related CPP Purchase Products, upon commencement of production at the plants of the Existing CPP Food Companies being constructed (or planned to be constructed) and completed during the relevant future period, these companies are expected to purchase substantial amounts of meat and other raw materials required for the production of valued-added processed food products by the Existing CPP Food Companies ("Food Production Raw Materials") from suppliers including the HOEL Group due to the substantially increased production volume of the Existing CPP Food Companies. In addition, during the nine months ended 30 September 2016, the Group purchased Food Production Raw Materials from the HOEL Group of approximately US\$3 million for the production of processed food products at the plants of the Existing CPP Food Companies which had commenced production. Currently, the plants do not have slaughtering facilities, and therefore a relatively small amount of Food Production Raw Materials is purchased from the HOEL Group. The proportion of Food Production Raw Materials to be purchased from the HOEL Group is therefore expected to increase substantially after the slaughtering facilities planned to be built at the Existing CPP Food Companies commence production, which is expected to take place during the relevant future period, as the inclusion of these facilities will enable the Existing CPP Food Companies to add livestock to the Food Production Raw Materials that these companies will need for their production. By the years ending 31 December 2017, 2018 and 2019, the Existing CPP Food Companies are projected to purchase Food Production Raw Materials totalling up to approximately US\$411 million, US\$758 million and US\$976 million respectively from the HOEL Group.

As mentioned above, the HOEL Group plans to substantially expand the capacity of the swine and chicken farms in the PRC in the relevant future period. Whilst the total demand of the HOEL Group for feed-related CPP Supply Products is therefore expected to increase substantially, the Group's demand for corn and other feed-related raw materials required for the resulting expanded production of feed-related CPP Supply Products will also increase substantially. Some of this additional demand is expected to be met by purchasing feed-related raw materials from the HOEL Group. The Group purchased approximately US\$339 million of feed-related raw materials from the HOEL Group during the nine months ended 30 September 2016 under the 2013 Master CPP Purchase Agreement for the production of feed-related products. The estimated maximum transaction value of the feed-related CPP Purchase Products from the HOEL Group is approximately US\$739 million, US\$936 million and US\$1,119 million in 2017, 2018 and 2019, respectively.

C. INFORMATION ON THE PARTIES

The Company is an investment holding company. The subsidiaries of the Group are principally engaged, in the PRC, in the manufacture and sale of animal feed products and value-added processed food products, and, in Vietnam, in (i) the manufacture and sale of animal feed products, (ii) breeding, farming and sale of livestock and aquatic animals, and (iii) the manufacture and sale of value-added processed food products.

HOEL is an investment holding company and is indirectly wholly-owned by CPG.

LETTER FROM THE BOARD

D. REASONS FOR RENEWAL OF THE CONTINUING CONNECTED TRANSACTIONS

The Directors consider that the 2016 Master CPP Supply Agreement and the 2016 Master CPP Purchase Agreement will enable the Group to (a) supply the CPP Supply Products to the HOEL Group in the ordinary course of business and generate turnover for the Group; and (b) purchase the CPP Purchase Products required by the Group in the production of feed-related, farm-related and food-related products from the HOEL Group as a reliable, diverse and low-cost source of supply.

As Mr. Dhanin Chearavanont (chairman and executive director of the Company) and Mr. Soopakij Chearavanont (vice chairman and executive director of the Company) have directorship in the intermediate holding companies of HOEL, the Board considered that each of Mr. Dhanin Chearavanont and Mr. Soopakij Chearavanont had a material interest in the transactions contemplated under the 2016 Master CPP Supply Agreement and the 2016 Master CPP Purchase Agreement, and accordingly Mr. Dhanin Chearavanont and Mr. Soopakij Chearavanont abstained from voting on the respective resolutions proposed and passed at the board meeting of the Company held to consider the respective 2016 Master CPP Supply Agreement and 2016 Master CPP Purchase Agreement. Other than Mr. Dhanin Chearavanont and Mr. Soopakij Chearavanont, no other Director was considered to have a material interest in the transactions contemplated under the 2016 Master CPP Supply Agreement and the 2016 Master CPP Purchase Agreement, and hence no other Director abstained from voting on the respective board resolutions for approving the 2016 Master CPP Supply Agreement and the 2016 Master CPP Purchase Agreement.

The Directors (including the independent non-executive Directors who have taken into account the advice from the Independent Financial Adviser) are of the opinion that the 2016 Master CPP Supply Agreement, the 2016 Master CPP Purchase Agreement and the Continuing Connected Transactions (including the respective annual caps) are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

E. LISTING RULES IMPLICATIONS

CPF is interested in approximately 47.8% of the Shares in issue and approximately 45.4% of CPF's issued share capital is held by CPG. Due to CPG's near majority shareholding in CPF, the Company and CPG have agreed to treat CPG as a substantial shareholder of the Company and its subsidiaries and their respective associates as connected persons of the Company within the meaning of the Listing Rules. As HOEL is an indirect wholly-owned subsidiary of CPG, the transactions between HOEL and the Company under the 2016 Master CPP Supply Agreement and the 2016 Master CPP Purchase Agreement are treated as if they were continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios under Rule 14.07 of the Listing Rules for the proposed annual caps under the 2016 Master CPP Supply Agreement and the 2016 Master CPP Purchase Agreement in aggregate are more than 5%, the transactions contemplated under the 2016 Master CPP Supply Agreement and the 2016 Master CPP Purchase Agreement are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

F. RECOMMENDATION

The Independent Board Committee has been established to consider the terms of the 2016 Master CPP Supply Agreement, the 2016 Master CPP Purchase Agreement and the Continuing Connected Transactions (including the respective annual caps) and Orient Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders whether the terms of the 2016 Master CPP Supply Agreement, the 2016 Master CPP Purchase Agreement and the Continuing Connected Transactions (including the respective annual caps) are fair and reasonable, on normal commercial terms and in the interest of the Shareholders as a whole.

The letter from Orient Capital containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 14 to 30 of this circular and the letter from the Independent Board Committee to the Independent Shareholders is set out on page 13 of this circular.

The Independent Board Committee, having taken into account the opinion of Orient Capital, considers the terms of the 2016 Master CPP Supply Agreement, the 2016 Master CPP Purchase Agreement and the Continuing Connected Transactions (including the respective annual caps) to be fair and reasonable, on normal commercial terms and in the interest of the Company and the Shareholders as a whole and accordingly, recommends the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM.

In light of the above, the Board considers that the terms of the 2016 Master CPP Supply Agreement, the 2016 Master CPP Purchase Agreement and the Continuing Connected Transactions (including the respective annual caps) are fair and reasonable, on normal commercial terms and in the interest of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM.

G. SPECIAL GENERAL MEETING

The SGM will be convened at Suites 6411-6416, 64th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong on 13 December 2016 at 10:00 a.m.. A notice convening the SGM at which resolutions will be proposed to the Independent Shareholders to consider and, if thought fit, approve the 2016 Master CPP Supply Agreement, the 2016 Master CPP Purchase Agreement and the Continuing Connected Transactions (including the respective annual caps), details of which are set out on pages 35 to 36 of this circular. CPG and its associates will abstain from voting at the SGM in respect of the resolutions relating to the Continuing Connected Transactions.

A proxy form for use at the SGM is also enclosed. Whether or not you are able to attend the SGM, please complete the accompanying proxy form in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the meeting if they so wish.

H. FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

Yours faithfully,
By Order of the Board
Arunee Watcharananan
Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



C.P. POKPHAND CO. LTD.

(Incorporated in Bermuda with limited liability)

(Stock Code: 43)

28 November 2016

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular dated 28 November 2016 issued to the Shareholders (the “**Circular**”) of which this letter forms part. Capitalised terms used herein shall have the same meanings as defined in the Circular unless the context otherwise requires.

As independent non-executive Directors who are independent of the parties to the 2016 Master CPP Supply Agreement, the 2016 Master CPP Purchase Agreement and the Continuing Connected Transactions and not having any interest in the transactions contemplated under the 2016 Master CPP Supply Agreement, the 2016 Master CPP Purchase Agreement and the Continuing Connected Transactions, we have been appointed by the Board to advise you as to whether, in our opinion, the terms of the 2016 Master CPP Supply Agreement, the 2016 Master CPP Purchase Agreement and the Continuing Connected Transactions (including the respective annual caps) are fair and reasonable so far as the Independent Shareholders are concerned.

Orient Capital has been appointed by the Company as the Independent Financial Adviser to advise us regarding the fairness and reasonableness of the terms of the 2016 Master CPP Supply Agreement, the 2016 Master CPP Purchase Agreement and the Continuing Connected Transactions (including the respective annual caps). Details of its advice, together with the principal factors and reasons taken into consideration in arriving at such opinion, are set out on pages 14 to 30 of the Circular. Your attention is also drawn to the letter from the Board set out on pages 4 to 12 of the Circular and the additional information set out in the appendix to the Circular.

Having taken into account the opinion of and the principal factors and reasons considered by Orient Capital as stated in its letter of advice, we consider that the terms of the 2016 Master CPP Supply Agreement, the 2016 Master CPP Purchase Agreement and the Continuing Connected Transactions (including the respective annual caps) are fair and reasonable so far as the Independent Shareholders are concerned and are in the interest of the Company and its Shareholders as a whole. We therefore recommend the Independent Shareholders to vote in favour of the relevant resolutions in relation to the 2016 Master CPP Supply Agreement, the 2016 Master CPP Purchase Agreement and the Continuing Connected Transactions (including the respective annual caps) to be proposed at the SGM.

Yours faithfully,

For and on behalf of
the Independent Board Committee

Mr. Ma Chiu Cheung,

Andrew

Independent

Non-executive Director

Mr. Sombat

Deo-isres

Independent

Non-executive Director

Mr. Sakda

Thanitcul

Independent

Non-executive Director

Mr. Vinai

Vittavasgarnvej

Independent

Non-executive Director

Mrs. Vatchari

Vimooktayon

Independent

Non-executive Director

LETTER FROM ORIENT CAPITAL (HONG KONG) LIMITED

The following is the full text of the letter of advice from Orient Capital to the Independent Board Committee and the Independent Shareholders in respect of the 2016 Master CPP Supply Agreement and the 2016 Master CPP Purchase Agreement and the Continuing Connected Transactions (including the proposed annual caps) for the purpose of incorporation into this circular.

東方融資(香港)有限公司
ORIENT CAPITAL (HONG KONG) LIMITED

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證監會持牌法團編號 CE No.: BDN128

28 November 2016

*To the Independent Board Committee and the Independent Shareholders of
C.P. Pokphand Co. Ltd.*

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS – 2016 MASTER CPP SUPPLY AGREEMENT AND 2016 MASTER CPP PURCHASE AGREEMENT

INTRODUCTION

We refer to our appointment as the independent financial adviser on the terms of the 2016 Master CPP Supply Agreement and the 2016 Master CPP Purchase Agreement (the “**CCT Agreements**”), and the Continuing Connected Transactions (including the proposed annual caps), details of which are contained in the letter from the board (the “**Letter from the Board**”) of the circular dated 28 November 2016 (the “**Circular**”) issued by the Company, of which this letter forms part. Unless otherwise stated, terms used herein shall have the same meanings as those defined in the Circular.

As the 2013 Master CPP Supply Agreement and the 2013 Master CPP Purchase Agreement shall expire on 31 December 2016 and the Company intends to continue the transactions contemplated thereunder, on 31 October 2016, the Company entered into the CCT Agreements with HOEL. Pursuant to the 2016 Master CPP Supply Agreement, the Group shall supply to the HOEL Group various feed-related, farm-related and food-related products including animal feed, feed raw materials, livestock and aquatic products, and processed meats and food products which may be required by the HOEL Group. Pursuant to the 2016 Master CPP Purchase Agreement, the Group shall purchase from the HOEL Group feed raw materials, packaging materials, livestock and aquatic products, meats and other items required by the Group in the production of feed-related, farm-related and food-related products.

LETTER FROM ORIENT CAPITAL (HONG KONG) LIMITED

According to the Letter from the Board, CPF is interested in approximately 47.8% of the Shares in issue and approximately 45.4% of CPF's issued share capital is held by CPG. Due to CPG's near majority shareholding in CPF, the Company and CPG have agreed to treat CPG as a substantial shareholder of the Company, and, as such, CPG and its subsidiaries and their respective associates are connected persons of the Company within the meaning of the Listing Rules. As HOEL is an indirect wholly-owned subsidiary of CPG, the transactions between HOEL and the Company under the CCT Agreements are treated as if they were continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios under Rule 14.07 of the Listing Rules for the proposed annual caps under the CCT Agreements in aggregate are more than 5%, the transactions contemplated under the CCT Agreements are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

We have been appointed as the independent financial adviser to advise the Independent Board Committee, which comprises all the independent non-executive Directors, namely Mr. Ma Chiu Cheung, Andrew, Mr. Sombat Deo-isres, Mr. Sakda Thanitcul, Mr. Vinai Vittavasarnvej and Mrs. Vatchari Vimooktayon, and the Independent Shareholders as to whether the entering into of the CCT Agreements and the Continuing Connected Transactions (including the proposed annual caps) are fair and reasonable as far as the interest of the Independent Shareholders are concerned, and are on normal commercial terms, and in the ordinary and usual course of business of the Company and, from those perspectives, in the interests of the Company and the Shareholders as a whole.

BASIS OF OUR OPINION

In formulating our recommendation, we have relied on the information, opinions and facts supplied and representations made to us by the Company, which has assumed full responsibility for the accuracy of the information contained in the Circular and that any information and representations made to us are true, accurate and complete in all material respects as at the date hereof and that they may be relied upon. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Company. We have relied on certain information available to the public and have assumed such information to be accurate and reliable, and we have not independently verified the accuracy of such information. We have also assumed that statements and representations made or referred to in the Circular were accurate at the time they were made and continue to be accurate up to the date of the SGM. We consider that we have reviewed sufficient information to reach an informed view in order to provide a reasonable basis for our advice. It is not within our terms of engagement to comment on the commercial feasibility of the Continuing Connected Transactions, which remains the responsibility of the Directors. As the independent financial adviser to the Independent Board Committee and the Independent Shareholders, we have not been involved in the negotiations in respect of the terms of the CCT Agreements.

This letter is solely for the information of the Independent Board Committee and the Independent Shareholders, in connection with their consideration of the CCT Agreements, and is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose, without our prior written consent.

LETTER FROM ORIENT CAPITAL (HONG KONG) LIMITED

Orient Capital is a licensed corporation to carry out Type 6 regulated activities (advising on corporate finance) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Orient Capital and its affiliates, whose ordinary business involves the trading of, dealing in and the holding of securities, may be involved in the trading of, dealing in, and the holding of the securities of the Company for client accounts.

During the past two years, Orient Capital had no engagement with the Company. As at the Latest Practicable Date, we were independent from and not connected with the Group under Rule 13.84 of the Listing Rules, and accordingly, are qualified to give independent advice to the Independent Shareholders regarding the CCT Agreements.

PRINCIPAL FACTORS AND REASONS CONSIDERED

The principal factors and reasons we have taken into account in assessing the terms of the CCT Agreements and the Continuing Connected Transactions (including the proposed annual caps) in giving our recommendation to the Independent Board Committee and the Independent Shareholders are set out below:

1. Background and reasons for entering into the CCT Agreements

According to the Letter from the Board, the Company is an investment holding company. The subsidiaries of the Group are principally engaged, in the PRC, in the manufacture and sale of animal feed products and value-added, processed food products, and in Vietnam, in (i) the manufacture and sale of animal feed products, (ii) breeding, farming and sale of livestock and aquatic animals, and (iii) the manufacture and sale of value-added, processed food products.

According to the annual report of the Company for the year ended 31 December 2015 (the “**Annual Report**”) and its interim report for the six months ended 30 June 2016 (the “**Interim Report**”), the revenues of the Group’s agri-food business were all derived from China and Vietnam. Food and feed are the main products of the Group’s agri-food business in China, with feed products representing nearly the entirety of revenue during the period, as the food business just started trial production in 2015. The agri-food business in Vietnam consists of feed, farm and food products. For the six months ended 30 June 2016, farm and food products in total accounted for approximately 62.3% of the revenues from the Group’s agri-food business in Vietnam, while feed products accounted for the remaining approximately 37.7%.

HOEL is an investment holding company and is indirectly wholly-owned by CPG. According to the Letter from the Board, the 2013 Master CPP Purchase Agreement was entered into by the Company with CPT pursuant to which CPT and/or its related entities (including associates of HOEL) would supply CPP Purchase Products to the Group. CPT is no longer deemed to be a substantial shareholder of the Company due to changes in some of its shareholders. However, CPT’s related entities which have been supplying CPP Purchase Products are also associates of HOEL. As HOEL is a subsidiary of CPG which is considered a substantial shareholder of the Company, the Company therefore entered into the 2016 Master CPP Purchase Agreement with HOEL instead to provide for the purchase of CPP Purchase Products from the same group of entities which are included in the HOEL Group.

LETTER FROM ORIENT CAPITAL (HONG KONG) LIMITED

The Directors are of the view that the entering into the CCT Agreements will enable the Group to (a) supply the CPP Supply Products to the HOEL Group in the ordinary course of business and generate turnover for the Group; and (b) purchase the CPP Purchase Products required by the Group in the production of feed-related, farm-related and food-related products from the HOEL Group as a reliable, diverse and low-cost source of supply.

We note that both the Group and the HOEL Group shall be conducting business as part of their respective core businesses by virtue of the CCT Agreements, and the CCT Agreements are not new arrangements but represent renewal of the 2013 Master CPP Supply Agreement and the 2013 Master CPP Purchase Agreement which shall expire on 31 December 2016. We also note that the transactions contemplated under the CCT Agreements have been conducted by the respective parties for a period of time in the past and even before the execution of the 2013 Master CPP Supply Agreement and the 2013 CPP Purchase Agreement.

(A) 2016 Master CPP Supply Agreement

According to the Letter from the Board, the 2016 Master CPP Supply Agreement will enable the Group to supply the CPP Supply Products to the HOEL Group in the ordinary course of business and generate turnover for the Group.

As stated in the Annual Report, the Group is a leading and respected feed developer and provider in China, and is renowned for developing new feed formulas and provide finest quality animal feeds to farm operators across China. Moreover, in recent years, the Group has also further pursued its integrated agri-food business strategy by entering into the value-added processed food segment in China.

Set out in the table below is a summary of the Group's total revenue and the contribution from the HOEL Group, for the two years ended 31 December 2015 and the six months ended 30 June 2016, as extracted from the Annual Report and the Interim Report. The revenue from the HOEL Group as a percentage of the Group's total revenue increased from approximately 9.9% for the year ended 31 December 2014 to approximately 11.9% for the six months ended 30 June 2016. The management of the Company (the "**Management**") advised that the sales by the Group to the HOEL Group is expected to continue to increase in the next few years as (i) the Group is able to provide a wider range of products with the operation of the food segment which business was commenced in 2015; and (ii) the HOEL Group has plans to substantially expand the capacity of its swine and chicken farms in the PRC in the future period, which shall also increase its demand for the feed-related CPP Supply products.

LETTER FROM ORIENT CAPITAL (HONG KONG) LIMITED

Revenue of the Group and contribution from HOEL

	For the year ended 31 December		For the six months ended
	2014	2015	30 June 2016
	US\$ million	US\$ million	US\$ million
Total Revenue of the Group	5,509	5,130	2,413
Total Revenue from the HOEL Group	545	567	286
% of the total revenue from the HOEL Group	9.9%	11.1%	11.9%

Source: Annual Report and Interim Report

Having considered that (i) the sale of the CPP Supply Products is the core business of the Group; (ii) the Group has been continuously supplying the CPP Supply Products to the HOEL Group and the sales of the CPP Supply Products to the HOEL Group have been a recurring and stable source of revenue to the Group, we concur with the view of the Directors that the entering into of the 2016 Master CPP Supply Agreement is in the ordinary and usual course of business of the Group and shall enable the Group to achieve higher revenue.

(B) 2016 Master CPP Purchase Agreement

According to the Letter from the Board, the 2016 Master CPP Purchase Agreement will enable the Group to purchase the CPP Purchase Products required by the Group in the production of feed-related, farm-related and food-related products from the HOEL Group as a reliable, diverse and low-cost source of supply. As advised by the Management, during the past years, the CPP Purchase Products purchased by the Group from the HOEL Group generally maintained the standards and quality required by the Group.

Having considered that (i) the purchase of the CPP Purchase Products is required in the Group's normal business operation; (ii) the quality of the source of the CPP Purchase Products from the HOEL Group meets with the standards of the Group; and (iii) the continuous purchase of CPP Purchase Products from the HOEL Group enables the Group to meet its expected production needs, we concur with the view of Directors that the purchase of CPP Purchase Products under the 2016 Master CPP Purchase Agreement is in the ordinary and usual course of business of the Group and shall support the Group to conduct its core business.

LETTER FROM ORIENT CAPITAL (HONG KONG) LIMITED

2. Principal terms

(A) 2016 Master CPP Supply Agreement

As contained in the Letter from the Board, the principal terms of the 2016 Master CPP Supply Agreement are set out as below.

Pricing Policy

As a general principle, the price and terms of individual orders in respect of the supply of the CPP Supply Products by the Group to the HOEL Group will be on normal commercial terms, negotiated on an arm's length basis, similar to that on which the Group transacts business with independent third party customers and on terms which are no less favourable to the Group than those provided to independent third party customers.

Prices are to be determined with reference to the prevailing market prices of the CPP Supply Products in the PRC and Vietnam (whichever country is relevant) at the relevant time. Prices of the CPP Supply Products to be supplied under the 2016 Master CPP Supply Agreement are determined with reference to the cost of raw materials, other value added (for example, manufacturing and marketing) and profit margins. Depending on the type of products, the Group will maintain different profit margins for different CPP Supply Products. In determining the prevailing market prices of the CPP Supply Products, the Group will also consider competitive prices offered by independent third-party suppliers, and offered by the Group to independent third-party purchasers, for similar products. Prices are updated regularly as market conditions change. A volume discount will be granted to customers if the annual purchase volume reaches specified levels. Prices of the CPP Supply Products and any volume discount given are monitored and reviewed by sales departments and approved by the heads of individual business units for ensuring that the transactions conducted under the 2016 Master CPP Supply Agreement are entered into on normal commercial terms or better, and on fair and reasonable basis. The actual methods and procedures to determine the prices for the CPP Supply Products described above are same as the methods and procedures used to determine the prices of products to be supplied to independent third parties.

Payment terms

Under the 2016 Master CPP Supply Agreement, the Group will generally offer credit terms of up to 60 days from delivery but may adjust such terms taking into account generally accepted market terms from time to time. Payment shall be made by telegraphic transfer or other payment methods generally acceptable to the Group from purchasers who are independent third parties. Interest shall be charged by the Group for any overdue payment.

LETTER FROM ORIENT CAPITAL (HONG KONG) LIMITED

Our assessment

We note that the principle of the pricing policy is that the prices shall be set on terms which are no less favourable to the Group than those provided to independent third party customers. In order to further assess the fairness and reasonableness of the principal terms of the 2016 Master CPP Supply Agreement, we have gained further understanding from the Management about the execution mechanism of the pricing policy. We were advised that there are price lists for each of the CPP Supply Products, which are applicable to the HOEL Group and independent third parties as a whole. The price lists shall be updated periodically and adjusted when prices of the CPP Supply Products fluctuate. We have, on a sample basis, selected and reviewed historical price lists and transaction invoices provided by the Company on similar historical transactions between (i) the Group and the HOEL Group; and (ii) the Group and its independent third party customers, respectively. For the samples we selected, we noted that the prices charged by the Group to the HOEL Group were no less favorable than those offered by the Group to independent third party customers and the payment terms offered to the HOEL Group were generally in line with those offered to independent third party customers.

As for the volume discount policy, we understand that it is applicable to all independent third party customers and the HOEL Group as a whole without any difference. We have reviewed the volume discount schedule and consider that the discount rates offered are not unusually excessive based on normal commercial considerations.

For payment terms, we have reviewed the Group's trade receivables aging schedule for the two years ended 31 December 2015 and the six months ended 30 June 2016. During the selected period, the majority of the trade receivables balances were within 60 days, which are consistent with the credit terms stated in the 2016 Master CPP Supply Agreement.

Having considered the above, we concur with the view of the Directors that the principal terms of the 2016 Master CPP Supply Agreement are on normal commercial terms, and fair and reasonable as far as the interest of the Independent Shareholders are concerned.

(B) 2016 Master CPP Purchase Agreement

As stated in the Letter from the Board, the principal terms of the 2016 Master CPP Purchase Agreement are set out as below.

Pricing Policy

The Group adopts the same price determination procedures for the purchase of the CPP Purchase Products by the Group from the HOEL Group as that for the purchase of similar products from independent third party suppliers. The Group compares the quotes from the HOEL Group with quotes from at least two independent third party suppliers for a similar volume of the same or similar products of comparable standards and decide to purchase from which supplier. The process is to ensure that the price for the same volume of the same or similar CPP Purchase Products offered by the HOEL Group will not be higher than those offered by independent third party suppliers.

LETTER FROM ORIENT CAPITAL (HONG KONG) LIMITED

Payment terms

Under the 2016 Master CPP Purchase Agreement, the Group will generally request for credit terms of up to 60 days from delivery but this may be adjusted taking into account generally accepted market terms from time to time. Payment shall be made by telegraphic transfer or other payment methods acceptable to the HOEL Group from other purchasers who are independent third parties.

Our assessment

We note that the Group shall take reasonable steps to ensure that the price for the same volume of the same or similar CPP Purchase Products offered by the HOEL Group will not be higher than those offered by independent third party suppliers. In order to further assess the fairness and reasonableness of the principal terms of the 2016 Master CPP Purchase Agreement, we have, on a sample basis, selected and reviewed sample quotes provided to the Group on historical transactions between (i) the Group and the HOEL Group; and (ii) the Group and its independent third party suppliers for similar products and within the same period. For the samples selected, we noted that the prices charged by the HOEL Group to the Group were no less favourable than those available to the Group from its independent third party suppliers and the payment terms were generally in line with those offered by independent third party suppliers.

We have also reviewed the Group's trade payables aging schedule for the two years ended 31 December 2015 and the six months ended 30 June 2016. During the selected period, the majority of the trade payables balances were within 60 days, which are consistent with the credit terms stated in the 2016 Master CPP Purchase Agreement.

Based on the above, we concur with the view of the Directors that the principal terms of the 2016 Master CPP Purchase Agreement are on normal commercial terms, and fair and reasonable as far as the interest of the Independent Shareholders are concerned.

3. Proposed annual caps

Set out below is a summary of (i) the historical transaction amounts for each of the two years ended 31 December 2015 and the nine months ended 30 September 2016; and (ii) the proposed annual caps for each of the three years ending 31 December 2019 in respect of the CPP Supply Products ("**CPP Supply Caps**") and the CPP Purchase Products ("**CPP Purchase Caps**") which are highlighted in bold. A breakdown of the estimated maximum transaction values for the respective product categories for the CPP Supply Caps and CPP Purchase Caps is contained in the summary for information purposes. The estimated maximum transaction values for the respective product categories are made by the Company for the purpose of determining the CPP Supply Caps and the CPP Purchase Caps but are not themselves annual caps for the respective products:

LETTER FROM ORIENT CAPITAL (HONG KONG) LIMITED

	Historical transaction amounts			Proposed annual caps					
	For the year ended		For the nine months ended	For the year ending 31 December					
	31 December	31 December	30 September	2017		2018		2019	
	2014	2015	2016	US\$ million	%	US\$ million	%	US\$ million	%
	US\$ million	US\$ million	US\$ million	US\$ million	%	US\$ million	%	US\$ million	%
Feed-related CPP Supply Products	497	516	406	794	58%	1,170	52%	1,545	53%
Food-related CPP Supply Products	–	2	38	501	36%	1,019	45%	1,281	44%
Others	48	49	36	80	6%	80	3%	80	3%
CPP Supply Products	545	567	480	1,375	100%	2,269	100%	2,906	100%
Feed-related CPP Purchase Products	412	491	339	739	57%	936	51%	1,119	50%
Food-related CPP Purchase Products	–	6	3	411	32%	758	41%	976	44%
Others	43	24	31	145	11%	145	8%	145	6%
CPP Purchase Products	455	521	373	1,295	100%	1,839	100%	2,240	100%

(A) Proposed annual caps contemplated under the 2016 Master CPP Supply Agreement

As set out in the Letter from the Board, the CPP Supply Caps have been determined with reference to (i) the value of the historical sales under the 2013 Master CPP Supply Agreement by the Group for each of the two financial years ended 31 December 2015 and the nine months ended 30 September 2016; (ii) the prevailing market prices of the CPP Supply Products and allowances for possible price increases in line with consumer prices; and (iii) the projected increase in the sales volume to the HOEL Group of the CPP Supply Products for the relevant future period due, firstly, to the potential growth of the Group's business, including the inclusion of processed meats and food products as a result of the upcoming commencement of production at the plants of the Group's food companies in the PRC during the relevant future period and, secondly, to the projected increase in the demand for the feed-related CPP Supply Products by the HOEL Group brought about by the planned substantial capacity expansion of the swine and chicken farms to be operated by the HOEL Group in the PRC during the relevant future period.

In assessing the fairness and reasonableness of the CPP Supply Caps, we have reviewed, and have discussed with the Management, about the basis and assumptions underlying the projected sales of CPP Supply Products pursuant to the 2016 Master CPP Supply Agreement for the purpose of determining the CPP Supply Caps. We set out below our analysis for some of the more important basis and assumptions.

LETTER FROM ORIENT CAPITAL (HONG KONG) LIMITED

(i) Expected increase in the demand for the food-related CPP Supply Products

According to the Letter from the Board, construction works, equipment installation and fitting out are currently being carried out at the plants of the Group's food companies in the PRC which are presently in the Group (the "Existing CPP Food Companies"). Each of the Existing CPP Food Companies is a wholly-owned subsidiary of the Company and has been established to engage principally in the production and sale of value-added processed food products in the PRC. These value-added processed food products include dumplings, buns, nuggets, dim sum, cooked food and other food products. The main raw materials of these value-added processed food products are pork, chicken meat and other meat. Some production lines of the Existing CPP Food Companies have commenced production and the Group supplied processed food products of approximately 18,000 tonnes or US\$38 million in value during the nine months ended 30 September 2016 under the 2013 Master CPP Supply Agreement. It is envisaged that the other production lines of the Existing CPP Food Companies will commence production during the relevant future period. Upon commencement of production of these production lines, the HOEL Group is expected to become a customer of the Existing CPP Food Companies, and sell the food products through its distribution channel.

The Management has advised that the planned production volume of the Existing CPP Food Companies is approximately 200,000, 400,000 and 500,000 tonnes per annum and the supply of food-related CPP Supply Products is projected to reach approximately US\$501 million, US\$1,019 million and US\$1,281 million in 2017, 2018 and 2019, respectively. Accordingly, the Group's estimated supply of the food-related CPP Supply Products to the HOEL Group will increase substantially. We have requested for and have reviewed information regarding the production plan and expected production capacities of the Existing CPP Food Companies for the three years ending 31 December 2019.

The Management advised that the proposed caps of the processed meats and food products supplied to the HOEL Group for each of the three years ending 31 December 2019 were determined on the basis that a substantial portion of the Existing CPP Food Companies' food products will be supplied through the distribution channel of the HOEL Group. The current and expected additional distribution channels of the HOEL Group consist of mainly wholesalers and retailers.

According to International Monetary Fund ("IMF"), the PRC nominal Gross Domestic Product is expected to grow at a compound annual growth rate ("CAGR") of 7.6% from 2015 to 2020. The increase in the middle class and rise in disposable income of the population have accelerated the influx of people from rural areas into cities, with urbanization rate expected to increase from 53.7% in 2014 to 59.9% in 2020 according to the National New-type Urbanization Plan (2014-2020). Additionally, according to the National Bureau of Statistics of China, the per capita disposable income of urban households is expected to increase from Renminbi ("RMB") 31,200 in 2015 to RMB45,530 in 2020 at a CAGR of 7.9%. Based on such data, as a result of the economic growth in the PRC and rising disposable income, annual meat consumption is expected to increase. According to the Food and Agricultural Policy Research Institute, China has one of the largest meat consumption per capita in the world being 59.94 kilograms ("kg") per capita in 2015. It is expected that the meat consumption per capita for China will increase at a CAGR of 3.04% to 65.58 kilograms per capita in 2019.

LETTER FROM ORIENT CAPITAL (HONG KONG) LIMITED

As disclosed in the Interim Report, swine feed is the largest component of the Group's feed business in the PRC and Vietnam, accounting for approximately 49.0% of the Group's feed revenue in the PRC and approximately 57.5% of the Group's feed revenue in Vietnam. With the Group's food business growing to bigger operation, the Group expects to provide processed food items. Both these businesses are directly tied to the growth of meat consumption in China. Accordingly, the increase in meat consumption per capita in the PRC is expected to lead to more business opportunities for the Group and the HOEL Group.

Having considered the above, particularly that there are substantial expansion plans by the Group on food-related products in the three years ending 31 December 2019, we are of the view that the production volumes of food-related products adopted by the Company for estimating the CPP Supply Caps are determined under reasonable basis.

(ii) Expected increase in the demand for the feed-related CPP Supply Products

According to the Letter from the Board, the Group had supplied approximately 900,000 tonnes or US\$406 million of feed products to HOEL Group during the nine months ended 30 September 2016 under the 2013 Master CPP Supply Agreement for supporting HOEL's farming activities of swine and chicken. The HOEL Group plans to set up and acquire a large number of additional swine and chicken farms in the next three years in the PRC as part of its expansion strategy. As the total demand from these additional farms is expected to be about two times the HOEL Group's current demand for the feed related CPP Supply Products in the PRC, the Group's estimated supply of the feed-related CPP Supply Products to the HOEL Group will increase in proportion as well.

The Company estimated that the expected demand of feed-related CPP Supply Products from the HOEL Group is approximately 1,800,000 tonnes or US\$794 million in value, 2,700,000 tonnes or US\$1,170 million in value and 3,600,000 tonnes or US\$1,545 million in value in 2017, 2018 and 2019, respectively.

We have requested and have reviewed the business plan of the HOEL Group regarding the setting up and acquiring of additional farms and the respective indication of demand of the feed-related CPP Supply Products from the HOEL Group for each of the three years ending 31 December 2019. We note that the expansion plan of the HOEL Group is formulated on the basis of the expected rising trend in the consumption of meat and related products in the PRC in the coming years.

(iii) Average selling prices

We have discussed with the Management, and have reviewed the underlying documents, regarding the basis and assumptions adopted for average selling prices in the determination of the CPP Supply Caps. According to the Management, in determining the CPP Supply Caps, (i) the expected selling prices of the feed-related products were determined with reference to the average selling prices of such products for the seven months ended 31 July 2016; (ii) the expected selling prices of the food products were determined with reference to the average selling prices of such products for the seven months ended 31 July 2016 in respect of products manufactured under the existing food production facilities, and the average projected selling prices of the food products at the respective times when each of the upcoming new facilities become operational; and (iii) an assumed inflation rate of 2% for each of the three years ending 31 December 2019.

LETTER FROM ORIENT CAPITAL (HONG KONG) LIMITED

According to the published projections of IMF, consumer prices (average) in China are expected to grow by 2.3% to 2.6% per annum during 2017 and 2019. On the basis of such information, the 2% inflation rate assumption used by the Management in the determination of the CPP Supply Caps is not excessive.

(iv) Analysis on CPP Supply Caps

Based on the information provided by the Company, we note that the food-related CPP Supply Products, which have been offered by the Group in the PRC relatively recently since December 2015, have historical transaction value for the nine months ended 30 September 2016 in the PRC of approximately US\$38 million. Such products are estimated to have maximum transaction value in the PRC of US\$501 million for the year ending 31 December 2017 representing approximately 36% of the CPP Supply Caps for that year. The estimated maximum transaction values for food-related CPP Supply Products in the PRC are expected to grow by approximately 103% and 26% in the years ending 31 December 2018 and 2019 respectively.

On the other hand, the estimated maximum transaction value for the year ending 31 December 2017 in the PRC for feed-related CPP Supply Products, which have been offered by the Group over the years, represents an approximate increase of 47% as compared to the projected transaction value of such products in the PRC for the year ending 31 December 2016. The estimated maximum transaction values for feed-related CPP Supply Products in the PRC for the years ending 31 December 2018 and 2019 represent an approximate increase of 47% and 32% respectively as compared to that of the previous year.

The significant increases of the estimated maximum transaction values for the respective product categories and as a result of the CPP Supply Caps for the three years ending 31 December 2019 reflect the robust business growth plans of the Group in its existing markets and the planned substantial expansion of the business of food-related CPP Supply Products in the next few years. Having considered the expansion plans of the Group in its principal activities for which the Group has developed a leading market position over the years, we are satisfied that the estimation of the respective maximum transaction values for the purpose of determination of the CPP Supply Caps is justified and in the interest of the business operations of the Group. On the basis of the above analysis, we are of the view that the CPP Supply Caps are determined by the Company under reasonable basis.

(B) Proposed annual caps contemplated under the 2016 Master CPP Purchase Agreement

As set out in the Letter from the Board, the CPP Purchase Caps have been determined with reference to, (i) the value of the historical purchases under the 2013 Master CPP Purchase Agreement by the Group from the same entities which are included in the HOEL Group for each of the two financial years ended 31 December 2015 and the nine months ended 30 September 2016; (ii) the prevailing market prices of the CPP Purchase Products taking into account allowances for possible price increases in line with consumer prices; and (iii) the projected increase in the overall purchase volume of CPP Purchase Products for the relevant future period due to the growth of the Group's business, including that arising from the commencement of production at the plants of the Group's food companies in the PRC.

LETTER FROM ORIENT CAPITAL (HONG KONG) LIMITED

In relation to the growth of the Group's business which leads to a projected increase in the CPP Purchase Products, upon commencement of production at the plants of the Existing CPP Food Companies, the Existing CPP Food Companies will need to purchase substantial amounts of meat as raw materials from farms of the HOEL Group. By the year ending 31 December 2019, the Existing CPP Food Companies are projected to purchase livestock and aquatic products and meats totaling up to approximately US\$976 million in value from the HOEL Group.

As mentioned above, the HOEL Group plans to substantially expand the capacity of the swine and chicken farms in the PRC in the relevant future period. Whilst the total demand of the HOEL Group for feed-related CPP Supply products is expected to increase substantially, the Group's demand for corn and other feed-related raw materials required for the resulting expanded production of feed-related CPP Purchase products will also increase substantially. Some of this additional demand is expected to be met by purchasing feed-related raw materials from the HOEL Group.

In assessing the fairness and reasonableness of the CPP Purchase Caps, we have reviewed and have discussed with the Management about, the basis and assumptions underlying the projected sales of CPP Purchase Products pursuant to the 2016 Master CPP Purchase Agreement for the purpose of determining the CPP Purchase Caps. We set out below our analysis for some of the more important basis and assumptions.

(i) Expected increase in the demand for the CPP Purchase Products

As disclosed in the Letter from the Board and on the basis of the analysis regarding the CPP Supply Caps, the business growth of the Group is expected to lead to substantial increase in the demand for food-related CPP Purchase Products. Upon commencement of production at the plants of the Existing CPP Food Companies that are planned to be constructed during the relevant future periods, substantial amounts of meat and other raw materials ("**Food Production Raw Materials**") required for the production of value-added processed food products are expected to be purchased by the Existing CPP Food Companies from suppliers including the HOEL Group. During the nine months ended 30 September 2016, the Group purchased Food Production Raw Materials from the HOEL Group in the amount of approximately US\$3 million. As advised by the Management, the plants of the Existing CPP Food Companies currently do not have slaughtering facilities, and therefore a relatively small amount of Food Production Raw Materials has been purchased by them from the HOEL Group. The amounts of Food Production Raw Materials to be purchased from the HOEL Group is expected to increase substantially after the slaughtering facilities planned to be built at the Existing CPP Food Companies commence production during the relevant future periods. The slaughtering facilities will enable the Existing CPP Food Companies to add livestock to the Food Production Raw Materials and shall trigger more demand for the latter. By the years ending 31 December 2017, 2018 and 2019, the Existing CPP Food Companies are expected to purchase Food Production Raw Materials totaling up to approximately US\$411 million, US\$758 million and US\$976 million respectively from the HOEL Group. We have requested for and have reviewed the procurement plan of the Group on livestock, aquatic products and meats. We noted that food-related CPP Purchase Products comprise mainly live chickens and live hogs, representing approximately between 77% and 83% of the expected purchase volume of CPP Purchase Products for the three years ending 31 December 2019. We have also reviewed the plans on the expected processing volume of slaughtering facilities for the Existing CPP Food Companies for the three years ending 31 December 2019. We noted that the expected processing volume of slaughtering facilities are approximately 70 million heads, 110 million heads and 170 million heads of livestock for each of the three years ending 31 December 2019 respectively.

LETTER FROM ORIENT CAPITAL (HONG KONG) LIMITED

According to the Letter from the Board, the Group purchased approximately US\$339 million of feed-related raw materials from the HOEL Group during the nine months ended 30 September 2016 under the 2013 Master CPP Supply Agreement for the production of feed products. The expected demand of the feed-related CPP Purchase Products from HOEL Group are approximately US\$739 million, US\$936 million and US\$1,119 million in 2017, 2018 and 2019, respectively. As advised by the Management, the projected increase in the feed-related CPP Supply Products due to the expected expansion of farms by the HOEL Group is expected to lead to the substantial increase in the purchase of feed-related raw materials. We have reviewed the procurement plan of the Group on feed-related raw materials. We found that the procurement plans of the Group reflect the expected demand of the respective products.

(ii) Expected raw material prices

As advised by the Management, the major raw materials used by the Group for feed-related products are soybean meal and corn; while the major raw materials used by the Group for food-related products are pork and chicken meat. As such, the major raw materials are commodity type of products and their prices generally fluctuate based on market conditions depending on supply and demand, government policies and weather conditions in major production areas of the raw materials.

According to the information published from Bloomberg, spot prices of pork in China ranged from RMB17.94 per kg in May 2014 to RMB26.74 per kg in October 2016. We noted that the expected average prices of pork as assumed by the Management in the determination of the CPP Purchase Caps generally fall within the range of the historical average market prices for pork as published by Bloomberg.

According to the information published by yangji.com (養雞網) which is set up in July 2007 and is understood to be one of the most influential poultry industry portals in China, the average prices of chicken meat in the major provinces of China ranged from RMB4.11 per kg to RMB6.29 per kg during 2015, and the average prices ranged from RMB6.79 per kg to RMB8.12 per kg during January 2016 and June 2016. We noted that the expected average prices of chicken as assumed by the Management in the determination of the CPP Purchase Caps generally fall within the range of the historical average market prices of chicken meat as quoted in the website.

According to the Animal Husbandry Division of the Ministry of Agriculture of the PRC (中國農業部畜牧業司), the average price for corn in China decreased to RMB2.37 per kg in 2015 from RMB2.45 per kg in 2014. The average price further decreased to RMB2.08 per kg in June 2016. The average price for soybean meal in China also followed similar trend, with average price decreased from RMB4.00 per kg in 2014 to RMB3.04 per kg in 2015, and further decreased to RMB2.80 per kg in June 2016. We noted that the expected average prices of corn and soybean meal as assumed by the Management for the determination of the CPP Purchase Caps are generally not out of range of the historical average market prices of corn and soybean meal as contained in the information published by the Animal Husbandry Division of the Ministry of Agriculture of the PRC after taking into consideration inflation and market factors.

LETTER FROM ORIENT CAPITAL (HONG KONG) LIMITED

(iii) Analysis on CPP Purchase Caps

Based on the information provided by the Company, we note that the food-related CPP Purchase Products, which was started to be purchased by the Group in the PRC relatively recently since December 2015, have historical transaction value in the PRC for the nine months ended 30 September 2016 of approximately US\$3 million. Such products are estimated to have maximum transaction value in the PRC of US\$411 million for the year ending 31 December 2017 representing approximately 32% of the CPP Purchase Caps for that year. The estimated maximum transaction values for food-related CPP Purchase Products in the PRC are expected to grow by approximately 84% and 29% in the years ending 31 December 2018 and 2019 respectively.

On the other hand, the maximum transaction value for the year ending 31 December 2017 in the PRC for feed-related CPP Purchase Products which have been purchased by the Group over the years represents an approximate increase of 63% as compared to the projected transaction value of such products in the PRC for the year ending 31 December 2016. The estimated maximum transaction values for feed-related CPP Purchase Products in the PRC for the years ending 31 December 2018 and 2019 represent an approximate increase of 27% and 20% respectively as compared to that of the previous year.

The significant increases of the estimated maximum transaction values for the respective product categories and as a result of the CPP Purchase Caps for the three years ending 31 December 2019 reflect the robust business growth plans of the Group in its existing markets and the planned substantial expansion of the business of food-related CPP Purchase products in the next few years. Having considered the expansion plans of the Group in its principal activities for which it has developed a leading position over the years, we are satisfied that the estimation of the respective maximum transaction values for the purpose of determination of the CPP Purchase Caps is justified and in the interest of the business operations of the Group. On the basis of the above analysis, we are of the view that the CPP Purchase Caps are determined by the Company under reasonable basis.

3. Internal Control

As advised by the Management, the Group has implemented various internal control procedures to ensure that the operation of continuing connected transactions will not be prejudicial to the interest of the Company and the shareholder as a whole. Specifically, as discussed above, prices of the CPP Supply Products and any volume discount given are monitored and reviewed by sales departments and approved by the heads of individual business units for ensuring that the transactions conducted under the 2016 Master CPP Supply Agreement are entered into on normal commercial terms or better, and on fair and reasonable basis. Also, regarding CPP Purchase Products, the Group compares the quotes from the HOEL Group with quotes from at least two independent third party suppliers for a similar volume of the same or similar products of comparable standards and decides to purchase from which supplier.

LETTER FROM ORIENT CAPITAL (HONG KONG) LIMITED

In addition to compliance with the requirements on annual review by external auditors and independent non-executive Directors under the Listing Rules in respect of the Group's Continuing Connected Transactions, the Company's internal audit department is in charge of the internal control and risk management to perform internal review and control over the Continuing Connected Transactions of the Company, including but not limited to, fulfillment of transactions thereunder and regularly inspecting specific terms of the Company's transactions with connected persons of the Company and comparing with the terms of the same type transactions of the Company entered into with independent third parties.

In this regard, we concur with the view that the Company's internal control procedures are appropriate in ensuring that the pricing terms of the CCT Agreements are on normal commercial terms.

4. Conditions

Pursuant to the Listing Rules, the Company will seek the approval by the Independent Shareholders for the CCT Agreements and the Continuing Connected Transactions (including the proposed annual caps) for the three years ending 31 December 2019 subject to the following conditions which include, among other things:

- (i) The CCT Agreements will be:
 - a. entered into in the ordinary and usual course of the business of the Group;
 - b. conducted on normal commercial terms or, if there are no sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available from independent third parties; and
 - c. entered into in accordance with the terms of the CCT Agreements that are fair and reasonable and in the interests of the Shareholders as a whole;
- (ii) the aggregate amount of the sales under the 2016 Master CPP Supply Agreement for each of the three years ending 31 December 2019 shall not exceed the CPP Supply Caps; the aggregate amount of the purchase under the 2016 Master CPP Purchase Agreement for each of the three years ending 31 December 2019 shall not exceed the CPP Purchase Caps; and
- (iii) the Company will comply with all other relevant requirements under the Listing Rules.

Taking into account of the conditions attached to the CCT Agreements, in particular (i) the restriction by way of setting the annual caps; and (ii) the compliance with all other requirements under the Listing Rules (which include the annual review and/or confirmation by the independent non-executive Directors and auditors of the Company on the actual execution of the CCT Agreements pursuant to the Rule 14A.55 and 14A.56 of the Listing Rules), we consider that the Company has taken appropriate measures to govern the Company in carrying out the CCT Agreements, thereby safeguarding the interests of the Shareholders thereunder. In particular, we note that the CCT Agreements are, by virtue of the requirements of Rule 14A.55 of the Listing Rules, conditional upon being carried out by the Company in the ordinary and usual course of its business, on normal commercial terms, fair and reasonable and in the interests of the Shareholders as a whole.

LETTER FROM ORIENT CAPITAL (HONG KONG) LIMITED

OPINION

Having considered the above principal factors, we consider that the entering into of the CCT Agreements is in the ordinary and usual course of business of the Group and the terms of the CCT Agreements (including the proposed annual caps) are on normal commercial terms, and are fair and reasonable as far as the interest of Independent Shareholders are concerned, and, from those perspectives, are in the interest of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolutions to approve the CCT Agreements and the Continuing Connected Transactions at the SGM.

Yours faithfully,
For and on behalf of
Orient Capital (Hong Kong) Limited
Kelvin Lau
Managing Director
Investment Banking

Mr. Kelvin Lau is a licensed person of the Securities and Future Commission of Hong Kong and a Responsible Officer of Orient Capital to carry out Type 6 (advising on corporate finance) regulated activity as defined under the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong), and has over 25 years of experience in corporate finance in Hong Kong.

1 RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2 DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in Shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) as are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he is taken or deemed to have under such provisions of the SFO), recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

(a) Directors' interests in shares of the Company

Name of Director	Capacity	Number of shares held (Note)	Approximate percentage of the issued ordinary share capital of the Company
Mr. Dhanin Chearavanont	Beneficial owner	37,600,000 (L)	0.16%
Mr. Meth Jiaravanont	Beneficial owner	21,000,000 (L)	0.09%

Note: The letter "L" denotes a long position.

(b) Directors' interests in shares of associated corporation of the Company

Chia Tai Enterprises International Limited

Name of Director	Capacity	Number of shares held (Note)	Approximate percentage of the issued share capital of the associated corporation
Mr. Dhanin Chearavanont	Beneficial owner	376,000 (L)	0.16%
Mr. Meth Jiaravanont	Beneficial owner	210,000 (L)	0.09%

Note: The letter "L" denotes a long position.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interest or short position in Shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) as are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he is taken or deemed to have under such provisions of the SFO), recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

3 COMPETING INTERESTS

As at the Latest Practicable Date, the Directors were not aware that any of the Directors or his/her associates had interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group which falls to be disclosed under the Listing Rules.

4 SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered into any service contracts with the Company or any other member of the Group, save for those expiring or determinable by the relevant employer within one year without payment of compensation (other than statutory compensation).

5 MATERIAL ADVERSE CHANGE

The Directors confirm that there has not been any material adverse change in the financial or trading positions of the Group since 31 December 2015 (the date to which the latest published audited consolidated accounts of the Group were made up).

6 INTERESTS IN ASSETS OR CONTRACTS

As at the Latest Practicable Date, none of the Directors or the expert referred to in paragraph 7 “Qualification and Consent of Expert” below has any direct or indirect interest in any assets of material importance to the Company which have been acquired or disposed of by or leased to or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2015, the date to which the latest published audited consolidated financial statements of the Group were made up.

None of the Directors is materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group taken as a whole.

7 QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given its opinion or advice for the inclusion in this circular:

Name	Qualification	Nature of opinion or advice	Date of opinion
Orient Capital	a licensed corporation to carry out type 6 (advising on corporate finance) regulated activities under the SFO	Letter to the Independent Board Committee and the Independent Shareholders	28 November 2016

Orient Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and reference to its name in the form and context in which it appears.

As at the Latest Practicable Date, Orient Capital did not have any shareholding in the Company or any other member of the Group or the right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in the Company or any other member of the Group.

8 MISCELLANEOUS

- (a) The Company's registered office is at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda and its principal place of business is at 21st Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (b) The Hong Kong branch share registrar of the Company is Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (c) The secretary of the Company is Mr. Lau Wing Yuen. He is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.
- (d) The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

9 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company's principal place of business in Hong Kong at 21st Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong up to and including 13 December 2016:

- (a) the letter from the Independent Board Committee, which is set out on page 13 of this circular;

- (b) the letter from Orient Capital, which is set out on pages 14 to 30 of this circular;
- (c) the written consent from Orient Capital referred to in the paragraph headed “Qualification and Consent of Expert” in this appendix;
- (d) the 2013 Master CPP Supply Agreement;
- (e) the 2013 Master CPP Purchase Agreement;
- (f) the 2016 Master CPP Supply Agreement;
- (g) the 2016 Master CPP Purchase Agreement; and
- (h) this circular.

NOTICE OF SPECIAL GENERAL MEETING



C.P. POKPHAND CO. LTD.

(Incorporated in Bermuda with limited liability)

(Stock Code: 43)

NOTICE IS HEREBY GIVEN that a special general meeting of C.P. POKPHAND CO. LTD. (the “**Company**”) will be held at Suites 6411-6416, 64th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong on 13 December 2016 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions of the Company:

(1) “**THAT:**

- (i) the 2016 Master CPP Supply Agreement (as defined in the circular of the Company dated 28 November 2016 (the “**Circular**”) and a copy of which is produced to the meeting marked “A” and initialed by the chairman of the meeting for identification purpose) entered into between the Company and HOEL (as defined in the Circular) in relation to the supply of the CPP Supply Products (as defined in the Circular) produced or procured by the Group to the HOEL Group, which may be required by the HOEL Group and which the Group may be able to supply in accordance with the terms and conditions of the 2016 Master CPP Supply Agreement, and the transactions contemplated thereunder, be and are hereby confirmed, approved and ratified;
- (ii) the proposed annual caps in relation to the transactions under the 2016 Master CPP Supply Agreement for the years ending 31 December 2017, 2018 and 2019 as set out in more details in the Circular, be and are hereby approved; and
- (iii) any one director of the Company be and is hereby authorised for and on behalf of the Company to execute all such other documents (with or without the affixation of the common seal but to be countersigned by the secretary of the Company or by another director of the Company if the common seal of the Company is required to be affixed thereto), instructions and agreements and to do all such acts and things deemed by him to be incidental to, ancillary to, or in connection with the matters contemplated in the 2016 Master CPP Supply Agreement.”

(2) “**THAT:**

- (i) the 2016 Master CPP Purchase Agreement (as defined in the Circular and a copy of which is produced to the meeting marked “B” and initialed by the chairman of the meeting for identification purpose) entered into between the Company and HOEL (as defined in the Circular) in relation to the purchase of the CPP Purchase Products (as defined in the Circular) from the HOEL Group by the Group which the Group may require in the normal course of business and which the HOEL Group may be able to supply in accordance with the terms and conditions of the 2016 Master CPP Purchase Agreement, and the transactions contemplated thereunder, be and are hereby confirmed, approved and ratified;

NOTICE OF SPECIAL GENERAL MEETING

- (ii) the proposed annual caps in relation to the transactions under the 2016 Master CPP Purchase Agreement for the years ending 31 December 2017, 2018 and 2019 as set out in more details in the Circular, be and are hereby approved; and
- (iii) any one director of the Company be and is hereby authorised for and on behalf of the Company to execute all such other documents (with or without the affixation of the common seal but to be countersigned by the secretary of the Company or by another director of the Company if the common seal of the Company is required to be affixed thereto), instructions and agreements and to do all such acts and things deemed by him to be incidental to, ancillary to, or in connection with the matters contemplated in the 2016 Master CPP Purchase Agreement.”

By order of the Board
Lau Wing Yuen
Company Secretary

Hong Kong, 28 November 2016

As at the date of this notice, the Board comprises eight executive directors, namely, Mr. Dhanin Chearavanont, Mr. Adirek Sripratak, Mr. Soopakij Chearavanont, Mr. Bai Shanlin, Mr. Sooksunt Jiumjaiswanglerg, Mr. Anan Athigapanich, Mr. Suphachai Chearavanont and Mrs. Arunee Watcharananan; two non-executive directors, namely, Mr. Meth Jiaravanont and Mr. Yoichi Ikezoe; and five independent non-executive directors, namely, Mr. Ma Chiu Cheung, Andrew, Mr. Sombat Deo-isres, Mr. Sakda Thanitcul, Mr. Vinai Vittavasarnvej and Mrs. Vatchari Vimooktayon.

Notes:

1. A form of proxy for use at the meeting is being dispatched to the shareholders of the Company together with a copy of this notice.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person authorized to sign the same.
3. Any shareholder entitled to attend and vote at the meeting convened by the above notice shall be entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notorially certified copy of such power of attorney or authority, must be deposited at the Company's Registrar in Hong Kong at Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
5. Completion and deposit of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the meeting convened or any adjourned meeting and in such event, the form of proxy will be deemed to be revoked.
6. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the meeting, the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand on the register of members of the Company in respect of the joint holding.
7. The votes to be taken at the meeting will be by way of a poll.