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

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 43)

## **CONTINUING CONNECTED TRANSACTIONS**

### **THE 2019 MASTER HOEL SUPPLY AGREEMENT AND THE 2019 MASTER HOEL PURCHASE AGREEMENT**

Reference is made to the announcement of the Company dated 31 October 2016 and the circular of the Company dated 28 November 2016 in relation to, among other things, the 2016 Master HOEL Supply Agreement and the 2016 Master HOEL Purchase Agreement. As the 2016 Master HOEL Supply Agreement and the 2016 Master HOEL Purchase Agreement will expire on 31 December 2019, on 30 October 2019, the Company entered into the 2019 Master HOEL Supply Agreement and the 2019 Master HOEL Purchase Agreement respectively with HOEL to continue the ongoing supply and purchase arrangement.

Pursuant to the 2019 Master HOEL Supply Agreement, the Group shall supply to the HOEL Group various feed-related, farm-related and food-related products (with related services) 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 2019 Master HOEL 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 (with related services).

### **THE MASTER ITOCHU SUPPLY AGREEMENT AND THE MASTER ITOCHU PURCHASE AGREEMENT**

On 30 October 2019, the Company entered into:

- the Master ITOCHU Supply Agreement, pursuant to which the Group would supply to the ITOCHU Group the CPP Supply Products during the term of the agreement; and
- the Master ITOCHU Purchase Agreement, pursuant to which the Group would purchase from the ITOCHU Group the CPP Purchase Product during the term of the agreement.

## **LISTING RULES IMPLICATIONS**

As explained in the section headed “Listing Rules Implications” below, the transactions contemplated under the 2019 Master HOEL Supply Agreement, the 2019 Master HOEL Purchase Agreement, the Master ITOCHU Supply Agreement and the Master ITOCHU Purchase Agreement are treated as continuing connected transactions of the Company under the Listing Rules and are subject to certain compliance requirements under the Listing Rules.

## **THE 2019 MASTER HOEL SUPPLY AGREEMENT AND THE 2019 MASTER HOEL PURCHASE AGREEMENT**

Reference is made to the announcement of the Company dated 31 October 2016 and the circular of the Company dated 28 November 2016 in relation to, among other things, the 2016 Master HOEL Supply Agreement and the 2016 Master HOEL Purchase Agreement. As the 2016 Master HOEL Supply Agreement and the 2016 Master HOEL Purchase Agreement will expire on 31 December 2019, on 30 October 2019, the Company entered into the 2019 Master HOEL Supply Agreement and the 2019 Master HOEL Purchase Agreement respectively with HOEL to continue the ongoing supply and purchase arrangement.

The major terms of the 2019 Master HOEL Supply Agreement and the 2019 Master HOEL Purchase Agreement are summarised below:

### **1 2019 MASTER HOEL SUPPLY AGREEMENT**

#### **(a) Date**

30 October 2019

#### **(b) Parties**

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

#### **(c) Subject matter**

Supply and sell of the CPP Supply Products to the HOEL Group.

#### **(d) Pricing policy**

The pricing policy provided in the 2019 Master HOEL Supply Agreement is the same as in the 2016 Master HOEL Supply Agreement. As a general principle, the price and terms of each individual order under the 2019 Master HOEL Supply Agreement will be on normal commercial terms and negotiated between the Group and the HOEL Group on an arm’s length basis similar to those transactions which the Group conduct 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 2019 Master

HOEL 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 compare competitive prices of similar products offered by independent third-party suppliers, and by the Group to independent third-party purchasers, for similar products. A volume discount will be granted to customers, (including the HOEL Group) if the annual purchase volume reaches a specified level. The actual methods and procedures to determine the prices of 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 practice from time to time. Interest shall be charged by the Group for any overdue payment.

**(f) Term**

The 2019 Master HOEL Supply Agreement is subject to the approval of the Independent Shareholders. Subject to such approval being obtained, the 2019 Master HOEL Supply Agreement shall take effect from 1 January 2020 and continue until 31 December 2022.

**(g) Historical amount of supply**

	For the financial year ended 31 December		For the eight months ended 31 August
	2017	2018	2019
Historical amount paid to the Group under the 2016 Master HOEL Supply Agreement	US\$947 million (approximately HK\$7,405 million)	US\$1,024 million (approximately HK\$8,008 million)	US\$696 million (approximately HK\$5,443 million)

**(h) Annual caps**

	Proposed Annual Caps For the financial year ending 31 December		
	2020	2021	2022
2019 Master HOEL Supply Agreement	US\$1,500 million (approximately HK\$11,730 million)	US\$2,130 million (approximately HK\$16,657 million)	US\$2,530 million (approximately HK\$19,785 million)

The above annual caps have been determined by reference to (i) the value of the historical sales under the 2016 Master HOEL Supply Agreement by the Group for each of the financial years ended 31 December 2017 and 31 December 2018 and the eight months ended 31 August 2019; (ii) the current prevailing market prices of the CPP Supply Products and an allowance for possible price increases of 2% to 4% per year in line with consumer prices; (iii) the overall increase in actual sales of CPP Supply Products to the HOEL Group under the 2016 Master HOEL Supply Agreement in the period since 1 January 2017 and (iv) additional demand for CPP Supply Products by the HOEL Group projected by the HOEL Group due to the planned capacity expansion of swine and chicken farms operated by the HOEL Group in the PRC during the relevant future period.

## **2 2019 MASTER HOEL PURCHASE AGREEMENT**

### **(a) Date**

30 October 2019

### **(b) Parties**

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

### **(c) Subject matter**

Purchase from the HOEL Group of the CPP Purchase Products as the Group may require in the production of feed-related, farm-related and food-related products.

### **(d) Pricing policy**

As a general principle, the price and terms of each individual order under the 2019 Master HOEL Purchase Agreement will be on normal commercial term and negotiated between the Group and the HOEL Group on an arm's length basis similar to those transactions which the Group conducts with independent third party suppliers and on terms which are no less favourable to the Group than those offered by independent third party suppliers.

The Group compares the quote from the HOEL Group with quotes from at least two independent third party suppliers for the same or similar products of similar volume and comparable standards before deciding from which of the suppliers the Group would purchase. 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 are comparable to those offered by independent third party suppliers.

### **(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.

**(f) Term**

The 2019 Master HOEL Purchase Agreement is subject to the approval of the Independent Shareholders. Subject to such approval being obtained, the 2019 Master HOEL Purchase Agreement shall take effect from 1 January 2020 and continue until 31 December 2020.

**(g) Historical amount of purchase**

	For the financial year ended 31 December		For the eight months ended 31 August
	<b>2017</b>	<b>2018</b>	<b>2019</b>
Historical amount paid by the Group under the 2016 Master HOEL Purchase Agreement	US\$873 million  (approximately HK\$6,827 million)	US\$1,004 million  (approximately HK\$7,851 million)	US\$654 million  (approximately HK\$5,114 million)

**(h) Annual caps**

	Proposed Annual Cap For the financial year ending 31 December		
	<b>2020</b>	<b>2021</b>	<b>2022</b>
2019 Master HOEL Purchase Agreement	US\$1,930 million  (approximately HK\$15,093 million)	US\$2,200 million  (approximately HK\$17,204 million)	US\$2,330 million  (approximately HK\$18,221 million)

The above annual caps have been determined by reference to (i) the value of the historical purchases under the 2016 Master HOEL Purchase Agreement by the Group from the HOEL Group for each of the financial years ended 31 December 2017 and 31 December 2018 and the eight months ended 31 August 2019; (ii) the current prevailing market prices of the CPP Purchase Products and forecast price increments in the coming three years; and (iii) the overall increase in actual purchase of CPP Purchase Products from the HOEL Group under the 2016 Master HOEL Purchase Agreement in the period since 1 January 2017.

**3 REASONS FOR RENEWAL OF THE TRANSACTIONS**

The Directors consider that, if approved by the Independent Shareholders, the 2019 Master HOEL Supply Agreement and the 2019 Master HOEL Purchase Agreement will enable the Group to continue 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 competitively priced source of supply.

The Board considered that each of Mr. Soopakij Chearavanont (chairman and executive director of the Company), Mr. Adirek Sripratak, Mr. Suphachai Chearavanont (each a vice chairman and an executive director of the Company), Mr. Narong Chearavanont, Mrs. Arunee Watcharananan (each an executive director of the Company) had a material interest in the transactions contemplated under the 2019 Master HOEL Supply Agreement and the 2019 Master HOEL Purchase Agreement in view of their respective shareholdings in CPG, and accordingly those of them who attended the Board meeting held for considering the agreements abstained from voting on the resolutions relating to the 2019 Master HOEL Supply Agreement and the 2019 Master HOEL Purchase Agreement.

The Directors (excluding the independent non-executive Directors who will provide their advice after having received the advice from the independent financial adviser) are of the opinion that the 2019 Master HOEL Supply Agreement, the 2019 Master HOEL Purchase Agreement and the transactions thereunder (including the respective annual caps) are on normal commercial terms and entered into in the ordinary and usual course of business of the Group, their terms are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

## **THE MASTER ITOCHU SUPPLY AGREEMENT AND THE MASTER ITOCHU PURCHASE AGREEMENT**

On 30 October 2019, the Company entered into the Master ITOCHU Supply Agreement and the Master ITOCHU Purchase Agreement with ITOCHU. The major terms of the Master ITOCHU Supply Agreement and the Master ITOCHU Purchase Agreement are summarised below:

### **1 MASTER ITOCHU SUPPLY AGREEMENT**

#### **(a) Date**

30 October 2019

#### **(b) Parties**

- (i) the Company (as supplier)
- (ii) ITOCHU (as purchaser)

#### **(c) Subject matter**

Supply and sale of the CPP Supply Products by the Group to the ITOCHU Group.

#### **(d) Pricing policy**

As a general principle, the prices and terms of each individual order under the Master ITOCHU Supply Agreement will be on normal commercial terms and negotiated between the Group and the ITOCHU Group on an arm's length basis similar to those transactions which the Group conducts 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 of the CPP Supply Products are to be determined with reference to the prevailing market prices of the CPP Supply Products in the relevant market at the relevant time, taking into account cost of raw materials, other value added (for example, manufacturing and marketing) and profit margins. Depending on the type of CPP Supply Products, the Group maintains different profit margins for such products. In determining the prevailing market prices of the CPP Supply Products, the Group will compare competitive prices of similar products offered by independent third-party suppliers and prices of similar products offered by the Group to independent third-party purchasers. Volume discounts will be granted to customers (including the ITOCHU Group) if the annual purchase volume reaches certain specified levels. The actual methods and procedures adopted by the Group to determine the prices of the CPP Supply Products are the same as those used to determine the prices of products to be supplied to independent third parties.

**(e) Payment terms**

The Group will generally offer credit terms consistent with the generally accepted market practice from time to time. The payment terms for the ITOCHU Group shall be the same as the payment terms for independent third parties. Interest shall be charged by the Group for any overdue payment.

**(f) Term**

The Master ITOCHU Supply Agreement shall take effect immediately and continue until 31 December 2020.

**(g) Historical amount of supply transactions**

	For the financial year ended 31 December	For the eight months ended 31 August
	<b>2018</b>	<b>2019</b>
Historical transaction amount in aggregate paid by the ITOCHU Group for CPP Supply Products	-	US\$0.8 million (approximately HK\$6.3 million)

**(h) Annual caps**

	Proposed Annual Cap For the financial year ending 31 December	
	<b>2019</b>	<b>2020</b>
Master ITOCHU Supply Agreement	US\$4 million (approximately HK\$31.3 million)	US\$8 million (approximately HK\$62.6 million)

The above annual caps have been determined by reference to (i) the value of the historical sales for the eight months ended 31 August 2019; and (ii) the increase in the overall sales volume of the CPP Supply Products to the ITOCHU Group which the Group projects for the remaining part of 2019 and for the financial year ending 31 December 2020.

## **2 MASTER ITOCHU PURCHASE AGREEMENT**

### **(i) Date**

30 October 2019

### **(j) Parties**

- (iii) the Company (as purchaser)
- (iv) ITOCHU (as supplier)

### **(k) Subject matter**

Purchase of the CPP Purchase Products by the Group from the ITOCHU Group.

### **(l) Pricing policy**

As a general principle, the price and terms of each individual order under the 2019 Master ITOCHU Purchase Agreement will be on normal commercial term and negotiated between the Group and the ITOCHU Group on an arm's length basis similar to those transactions which the Group conducts with independent third party suppliers and on terms which are no less favourable to the Group than those offered by independent third party suppliers.

The Group compares the quote from the ITOCHU Group with quotes from at least two independent third party suppliers for similar volume of the same or similar products of similar volume and comparable standards before confirming from which supplier the Group would purchase. The process is to ensure that the prices of the CPP Purchase Products of a similar volume and comparable standards offered by the ITOCHU Group are no higher than those offered by independent third party suppliers.

### **(m) Payment terms**

The Group will generally request for credit terms consistent with the generally accepted market practice from time to time. The payment terms for the CPP Group shall be the same as the payment terms for independent third parties. Interest at a rate according to the applicable laws shall be charged by the ITOCHU Group for any overdue payment until such overdue payment is settled in full.

### **(n) Term**

The Master ITOCHU Purchase Agreement shall take effect immediately and continue until 31 December 2020.



**(o) Historical amount of purchase transactions**

	For the financial year ended 31 December	For the eight months ended 31 August
	<b>2018</b>	<b>2019</b>
Historical transaction amount in aggregate paid by the Group for CPP Purchase Products	US\$1.4 million (approximately HK\$10.9 million)	US\$1.8 million (approximately HK\$14.1 million)

**(p) Annual caps**

	Proposed Annual Cap For the financial year ending 31 December	
	<b>2019</b>	<b>2020</b>
Master ITOCHU Supply Agreement	US\$5 million (approximately HK\$39.1 million)	US\$10 million (approximately HK\$78.2 million)

The above annual caps have been determined by reference to (i) the value of the historical purchases for the financial year ended 31 December 2018 and the eight months ended 31 August 2019; and (iii) the increase in the overall purchase volume of CPP Purchase Products from the ITOCHU Group which the Group projects for the remaining part of 2019 and for the financial year ending 31 December 2020.

**3 REASONS FOR ENTERING INTO THE TRANSACTIONS**

The Directors consider that the Master ITOCHU Supply Agreement and the Master ITOCHU Purchase Agreement will enable the Group to continue to (a) supply the CPP Supply Products to the ITOCHU 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 ITOCHU Group as a reliable, diverse and competitively priced source of supply.

The Board considered that Mr. Yoichi Ikezoe (a non-executive Director of the Company) had a material interest in the transactions contemplated under the Master ITOCHU Supply Agreement and the Master ITOCHU Purchase Agreement in view of his significant executive functions in ITOCHU and certain other companies in the ITOCHU Group, and accordingly he abstained from voting on the resolutions relating to the Master ITOCHU Supply Agreement and the Master ITOCHU Purchase Agreement. Save as disclosed above, none of the other Directors was required to abstain from voting on the board resolutions for the approval of the Master ITOCHU Supply Agreement and the Master ITOCHU Purchase Agreement as none of them had a material interest in the transactions thereunder.

The Directors (including the independent non-executive Directors) are of the opinion that the Master ITOCHU Supply Agreement, the Master ITOCHU Purchase Agreement and the transactions thereunder (including the respective annual caps) are on normal commercial terms and entered into in the ordinary and usual course of business of the Group, that the terms are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE PARTIES**

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

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

ITOCHU is a company incorporated in Japan and its securities are listed on the Tokyo Stock Exchange. The operations of the ITOCHU Group cover a broad spectrum of industries. These include the trading of the CPP Supply Products and the CPP Purchase Products in the geographical regions in which the CPP Group operates.

## **LISTING RULES IMPLICATIONS**

### **TRANSACTIONS UNDER THE 2019 MASTER HOEL SUPPLY AGREEMENT AND THE 2019 MASTER HOEL PURCHASE AGREEMENT**

As at the date of this announcement, CPF is interested in approximately 49.74% of the Shares in issue and approximately 48.94% 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, accordingly, the transactions between the Group and the HOEL Group under the 2019 Master HOEL Supply Agreement and the 2019 Master HOEL 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 2019 Master HOEL Supply Agreement and those percentage ratios under the 2019 Master HOEL Purchase Agreement in aggregate are in each case more than 5%, the transactions contemplated under the 2019 Master HOEL Supply Agreement and the 2019 Master HOEL Purchase Agreement are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will convene the SGM to consider and, if thought fit, approve, among other things, the 2019 Master HOEL Supply Agreement and the 2019 Master HOEL Purchase Agreement and the transactions thereunder (including the proposed annual caps). CPG and its associates will abstain from voting at the SGM in respect of the resolutions on these matters.

The Independent Board Committee has been established to consider the terms of the 2019 Master HOEL Supply Agreement, the 2019 Master HOEL Purchase Agreement and the transactions thereunder (including the proposed annual caps) and Ballas Capital Limited has been appointed as the independent financial adviser to advise the Independent Board

Committee and the Independent Shareholders whether the terms of the 2019 Master HOEL Supply Agreement, the 2019 Master HOEL Purchase Agreement and the transactions thereunder (including the proposed 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 Independent Board Committee is comprising Mr. Ma Andrew Chiu Cheung, Mr. Sombat Deo-isres, Mr. Sakda Thanitcul, Mr. Vinai Vittavasgarnvej and Mrs. Vatchari Vimooktayon, all being independent non-executive directors.

A circular containing, among other things, (i) further information regarding the relevant transactions (including the proposed annual caps); (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the 2019 Master HOEL Supply Agreement, the 2019 Master HOEL Purchase Agreement and the transactions thereunder (including the respective annual caps) and a related letter from the independent financial adviser containing the advice to the Independent Board Committee and the Independent Shareholders; and (iii) a notice convening the SGM is expected to be dispatched to the Shareholders on or before 28 November 2019, which exceeds fifteen business days after the publication of the announcement as required under Rule 14A.68, as the Company expects more time is required to finalise the circular.

## **TRANSACTIONS UNDER THE MASTER ITOCHU SUPPLY AGREEMENT AND THE MASTER ITOCHU PURCHASE AGREEMENT**

As at the date of this announcement, ITOCHU is interested in approximately 25% of the Shares in issue and is a substantial shareholder of the Company. Accordingly the transactions contemplated under the Master ITOCHU Supply Agreement and the Master ITOCHU Purchase Agreement are continuing connected transactions of the Company under the Listing Rules.

As the applicable percentage ratios under Rule 14.07 of the Listing Rules for the proposed annual caps under the Master ITOCHU Supply Agreement and the Master ITOCHU Purchase Agreement are more than 0.1% but less than 5%, the transactions thereunder are subject to the reporting and the announcement requirements but is exempted from the circular (including independent financial advice) and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“2016 Master HOEL Purchase Agreement”

the agreement dated 31 October 2016 made between the Company as purchaser and HOEL as supplier for the purchase of 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 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 from 1 January 2017 to 31 December 2019

“2016 Master HOEL Supply Agreement”	the agreement dated 31 October 2016 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, including animal feed, feed raw materials, livestock and aquatic products, and processed meats and food 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 from 1 January 2017 to 31 December 2019
“2019 Master HOEL Purchase Agreement”	the agreement dated 30 October 2019 made between the Company as purchaser and HOEL as supplier for the purchase by the Group from the HOEL Group of the CPP Purchase Products 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 from 1 January 2020 to 31 December 2022
“2019 Master HOEL Supply Agreement”	the agreement dated 30 October 2019 made between the Company as supplier and HOEL as purchaser for the supply by the Group to the HOEL Group of the CPP Supply Products which may be required by the HOEL Group and which the Group may be able to supply with a term of three years from 1 January 2020 to 31 December 2022
“associate”	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
“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”	Feed raw materials, packaging materials, breed and farm livestock and aqua stock, meats and other items required in the production and sale of animal and aqua feed, farm and food products (with related services)
“CPP Supply Products”	Feed-related, farm-related and food-related products (with related services) produced or procured by the Group, such as animal feed, feed raw materials, livestock, aquatic stock, and processed meats and food products
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries from time to time
“HOEL”	High Orient Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability
“HOEL Group”	HOEL, CPG and its associates
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“ITOCHU”	ITOCHU Corporation, a company incorporated in Japan, the securities of which are listed and traded on the Tokyo Stock Exchange
“ITOCHU Group”	ITOCHU and its subsidiaries from time to time
“Independent Board Committee”	the independent committee of the Board which has been established to advise the Independent Shareholders in respect of the transactions under the 2019 Master HOEL Supply Agreement and the 2019 Master HOEL Purchase Agreement
“Independent Shareholders”	Shareholders other than CPG and its associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master ITOCHU Purchase Agreement”	the agreement dated 30 October 2019 made between the Company as purchaser and ITOCHU as supplier for the purchase of the CPP Purchase Products by the Group from the ITOCHU Group

“Master ITOCHU Supply Agreement”	the agreement dated 30 October 2019 made between the Company as supplier and ITOCHU as purchaser for the supply of the CPP Supply Products by the Group to the ITOCHU Group
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SGM”	a special general meeting of the Company to be held to consider and, if thought fit, approve, among other things, the 2019 Master HOEL Supply Agreement, the 2019 Master HOEL Purchase Agreement and the transactions thereunder (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

By Order of the Board  
**Arunee Watcharananan**  
*Director*

*Note: For the purpose of this announcement, the exchange rate for the conversion of US\$ into HK\$ for indication only is: US\$1.0 = HK\$7.82.*

Hong Kong, 30 October 2019

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