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C.P. POKPHAND CO. LTD.

(Incorporated in Bermuda with limited liability)

(Stock Code: 43)

CONNECTED TRANSACTIONS IN RELATION TO THE PRODUCTION EQUIPMENT AND CONSTRUCTION CONTRACTS

THE PRODUCTION EQUIPMENT AND CONSTRUCTION CONTRACTS

Two subsidiaries of the Company have entered into the following contracts with KSP Vietnam:

<u>Subsidiary</u>	<u>Date of Contract</u>	<u>Contract</u>	<u>Contract Sum</u>
CPVC	30 December 2019	Feed Electrical System Contract	VND30.50 billion (approximately US\$1.31 million)
CPVC	9 April 2020	Shrimp Hatchery Contract	VND187.90 billion (approximately US\$8.10 million)
CPV Food	9 April 2020	Slaughter Machine Contract	VND31.26 billion (approximately US\$1.35 million)
CPV Food	9 April 2020	Broiler Farm Equipment Contract	VND33.30 billion (approximately US\$1.43 million)

Feed Electrical System Contract covers the installation of electrical system and related work for feed crumble machine. Shrimp Hatchery Contract covers the construction of shrimp hatchery buildings and related work (including internal roads, fences, drainage system and electrical work). Slaughter Machine Contract covers the supply and installation of slaughter machine. Broiler Farm Equipment Contract covers the supply and installation of equipment for eight broiler farms.

LISTING RULES IMPLICATIONS

As explained in the section "Listing Rules Implications" below, the transactions contemplated under the Production Equipment and Construction Contracts are treated as connected transactions of the Company under the Listing Rules and are subject to certain compliance requirements under the Listing Rules.

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The contract sum under each of the Production Equipment and Construction Contracts is payable in cash and in instalments according to work progress. Payments will be funded by the Group's internal resources.

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) aqua animals, and (iii) manufacture and sale of food products.

The issued share capital of CPVC is held by Modern State Investments Limited (which is a wholly-owned subsidiary of the Company) as to 70.82%. CPVC was established in Vietnam in 1993 and is a fully integrated livestock and aqua-culture company. CPV Food was established in Vietnam in 2018 and is a wholly-owned subsidiary of CPVC. The CPVC Group is principally engaged in (i) manufacturing and sale of animal feed; (ii) breeding, farming and sale of livestock and aqua animals; and (iii) manufacture and sale of food products in Vietnam.

KSP Vietnam is a subsidiary of CPG and is principally engaged in civil and building construction, as well as manufacture and installation of livestock and aqua related production equipment.

REASONS FOR AND BENEFITS OF THE PRODUCTION EQUIPMENT AND CONSTRUCTION CONTRACTS

To further expand the Group's business in Vietnam, the CPVC Group has been adding a number of new production facilities in Vietnam. For new contracts to supply and install production equipment or related works or to develop facilities, including the Production Equipment and Construction Contracts, the CPVC Group would invite suitably qualified

suppliers and contractors, including KSP Vietnam, to provide quotations. After reviewing the quotations submitted, the CPVC Group awarded the Production Equipment and Construction Contracts to KSP Vietnam which is experienced in the construction of feedmills and the supply and installation of livestock and food processing equipment and had offered the most favourable prices compared to the other bidders, which were independent third party suppliers and contractors.

The Directors (including the independent non-executive Directors) are of the view that the Production Equipment and Construction Contracts are on normal commercial terms, are entered into in the ordinary and usual course of business of the Group, and that the terms of the Production Equipment and Construction Contracts are fair and reasonable and the Transactions are in the interests of the Company and the Shareholders as a whole.

The Board considered that each of Mr. Soopakij Chearavanont (chairman and executive director of the Company), Mr. Adirek Sripratak and Mr. Suphachai Chearavanont (each a vice chairman and an executive director of the Company) and Mr. Narong Chearavanont and Mrs. Arunee Watcharananan (each an executive director of the Company) had a material interest in the Transactions in view of their respective shareholdings in CPG, and accordingly those of them who attended the relevant Board meeting abstained from voting on the resolutions relating to the Production Equipment and Construction Contracts.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CPF is interested in approximately 49.74% of the Shares in issue and CPG is interested in approximately 48.44% of the issued share capital of CPF. 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 accordingly CPG, and its associates are treated as connected persons of the Company. As KSP Vietnam is a subsidiary of CPG, the Transactions are treated as connected transactions of the Company under the Listing Rules.

Each of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Feed Electrical System Contract was less than 0.1% at the time when it was entered into on 30 December 2019. Accordingly, the transactions thereunder were exempt from reporting, announcement, circular (including independent financial advice) and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

However, since each of the Slaughter Machine Contract, the Shrimp Hatchery Contract and the Broiler Farm Equipment Contract was also entered into with KSP Vietnam on the date of this announcement and relates also to the provision of similar services to the CPVC Group, the Company has aggregated the Transactions and treated them as if they were one transaction. As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Transactions are more than 0.1% but less than 5%, the Transactions are subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and 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:

“associates”	has the meaning ascribed to this term in the Listing Rules
“Board”	the board of directors of the Company
“Broiler Farm Equipment Contract”	the contract entered between CPV Food and KSP Vietnam dated 9 April 2020 to engage KSP Vietnam as the contractor to supply and install equipment for eight broiler farms at the production facilities in Binh Phuoc Province, Vietnam
“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 incorporated 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 incorporated under the laws of the Kingdom of Thailand, which has a diverse shareholding structure with more than 80 shareholders, the largest of which is a company holding not more than 13% of its shares and the ultimate beneficial owner of which is Mr. Sumet Jiaravanon
“CPVC”	C.P. Vietnam Corporation, a joint stock company incorporated in Vietnam and held as to 70.82% by Modern State Investments Limited (which is a wholly-owned subsidiary of the Company)
“CPVC Group”	CPVC and its subsidiaries from time to time
“CPV Food”	CPV Food Co., Ltd., a limited liability company incorporated in Vietnam and a wholly-owned subsidiary of CPVC
“Directors”	the directors of the Company
“Feed Electrical System Contract”	the contract entered into between CPVC and KSP Vietnam dated 30 December 2019 to engage KSP Vietnam as the contractor to carry out installation of electrical system and related work for feed crumble machine at the production facilities in the Ben Tre

	Province, Vietnam
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“KSP Vietnam”	KSP Vietnam Co., Ltd., a limited liability company incorporated in Vietnam and a subsidiary of CPG
“Production Equipment and Construction Contracts”	collectively, the Feed Electrical System Contract, the Slaughter Machine Contract, the Shrimp Hatchery Contract and the Broiler Farm Equipment Contract
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“Shareholders”	holders of Shares from time to time
“Shares”	ordinary shares of US\$0.01 each in the capital of the Company
“Shrimp Hatchery Contract”	the contract entered into between CPVC and KSP Vietnam dated 9 April 2020 to engage KSP Vietnam as the contractor to carry out construction of shrimp hatchery buildings and related work (including internal roads, fences, drainage system and electrical work) at the production facilities in Quang Binh Province, Vietnam
“Slaughter Machine Contract”	the contract entered into between CPV Food and KSP Vietnam dated 9 April 2020 to engage KSP Vietnam as the contractor to supply and install slaughter machine at the production facilities in Binh Phuoc Province, Vietnam
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the transactions contemplated under the Production Equipment and Construction Contracts
“US\$”	United States dollars, the lawful currency of the United States of America

“Vietnam”

the Socialist Republic of Vietnam

“VND”

Vietnamese Dong, the lawful currency of Vietnam

By Order of the Board
Arunee Watcharananan
Director

Note: For the purpose of this announcement, the exchange rate for the conversion of US\$ into VND is US\$1 = VND23,222 for indication only.

Hong Kong, 9 April 2020

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