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C.P. POKPHAND CO. LTD.

(Incorporated in Bermuda with limited liability)

(Stock Code: 43)

**CONNECTED TRANSACTIONS
IN RELATION TO THE VIETNAM INSTALLATION
AND CONSTRUCTION CONTRACTS**

THE VIETNAM INSTALLATION AND CONSTRUCTION CONTRACTS

Two subsidiaries of the Company have entered into the following contracts with KSP Vietnam (i) to procure and install certain production-related equipment or (ii) to construct hatchery buildings at certain of the production facilities which are being developed by the CPVC Group in Vietnam.

<u>Subsidiary</u>	<u>Date of Contract</u>	<u>Contract</u>
CPVC	27 February 2019	CPVC Liquid Tanks Contract
CPV Food	27 February 2019	CPV Food Water Tanks Contract
CPV Food	29 April 2019	CPV Food Fire Protection System Contract
CPVC	1 June 2019	CPVC Compressor Air Tank Contract
CPV Food	1 June 2019	CPV Food Compressor Air Tank Contract
CPV Food	21 November 2019	CPV Food Hatchery Contract
CPV Food	21 November 2019	CPV Food Refrigeration Systems Contract
CPV Food	21 November 2019	CPV Food Broiler Farm Equipment Contract

LISTING RULES IMPLICATIONS

As explained in the section headed “Listing Rules Implications” below, the transactions contemplated under the Vietnam Installation 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 respective Vietnam Installation and Construction Contracts is payable in cash and in instalments according to the progress of the delivery and installation of relevant system or construction work at the relevant facility. Payments will be funded by the Group's internal resources.

The total contract sum to KSP Vietnam under each of the Vietnam Installation and Construction Contracts is as follows:

<u>Contract</u>	<u>Contract Sum</u>
CPVC Liquid Tanks Contact	VND6,935 million (equivalent to approximately US\$299 thousand)
CPV Food Water Tanks Contract	VND2,315 million (equivalent to approximately US\$100 thousand)
CPV Food Fire Protection System Contract	VND26,000 million (equivalent to approximately US\$1,121 thousand)
CPVC Compressor Air Tank Contract	VND1,217 million (equivalent to approximately US\$52 thousand)
CPV Food Compressor Air Tank Contract	VND488 million (equivalent to approximately US\$21 thousand)
CPV Food Hatchery Contract	VND75,420 million (equivalent to approximately US\$3,251 thousand)
CPV Food Refrigeration Systems Contract	VND74,907 million (equivalent to approximately US\$3,229 thousand)
CPV Food Broiler Farm Equipment Contract	VND26,151 million (equivalent to approximately US\$1,127 thousand)

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.

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 products; (ii) breeding, farming and sale of livestock and aquatic animals; and (iii) manufacture and sale of value-added, processed food products in Vietnam.

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

REASONS FOR AND BENEFITS OF THE VIETNAM INSTALLATION AND CONSTRUCTION CONTRACTS

To further expand the Group's business in Vietnam, the CPVC Group has been developing new production facilities in Vietnam. The CPVC Group had invited suitably qualified suppliers and contractors, including KSP Vietnam, to provide quotations for various contracts related to the development of the new production facilities, including for the procurement and installation of production related equipment or construction of hatchery buildings at the relevant production facilities. After reviewing the quotations submitted, the CPVC Group awarded the Vietnam Installation and Construction Contracts to KSP Vietnam which is experienced in the construction of livestock and aqua business production plants and the supply and installation of livestock and aqua business production equipment and had offered the most favourable prices compared to the other independent third party suppliers and contractors.

The Directors (including the independent non-executive Directors) are of the view that the Vietnam Installation 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 Vietnam Installation 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, Mr. Suphachai Chearavanont (each a vice chairman and an executive director of the Company), Mr. Narong Chearavanont and Mrs. Arunee Watcharananan (each an executive director of the Company) had a material interest in the transactions contemplated under the Vietnam System Installation and Construction Contracts 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 Vietnam System Installation 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 48.94% 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.

The applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the contract sum of each of those Vietnam Installation and Construction Contracts which had been entered into from 27 February to 1 June 2019 (being the CPVC Liquid Tanks Contract, the CPV Food Water Tanks Contract, the CPV Food Fire Protection System Contract, the CPVC Compressor Air Tank Contract and the CPV Food Compressor Air Tank Contract) was, on an aggregated basis, less than 0.1% at the time the respective contracts were made. 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 Vietnam Installation and Construction Contracts which were entered into on the date of this announcement, being the CPV Food Hatchery Contract, the CPV Food Refrigeration Systems Contract and the CPV Food Broiler Farm Equipment Contract, was also entered into with KSP Vietnam which is treated as a connected person and relates 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 on an aggregated basis 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
“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, which has a diverse shareholding structure with more than 80 shareholders, the largest of its shareholders 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 Compressor Air Tank Contract”	the contract entered into between CPVC and KSP Vietnam dated 1 June 2019 to engage KSP Vietnam to supply and install steam header and compressor air tank at the production facilities in Binh Phuoc province, Vietnam
“CPVC Group”	CPVC and its subsidiaries from time to time
“CPVC Liquid Tanks Contact”	the contract entered into between CPVC and KSP Vietnam dated 27 February 2019 to engage KSP Vietnam to supply and install liquid tanks at the production facilities in Binh Phuoc province, Vietnam
“CPV Food”	CPV Food Co., Ltd., a limited liability company incorporated in Vietnam and a wholly-owned subsidiary of CPVC
“CPV Food Broiler Farm Equipment Contract”	the contract entered into between CPV Food and KSP Vietnam dated 21 November 2019 to engage KSP Vietnam to supply and install equipment for broiler farm at the production facilities in Binh Phuoc province, Vietnam
“CPV Food Compressor Air Tank Contract”	the contract entered into between CPV Food and KSP Vietnam dated 1 June 2019 to engage KSP Vietnam to supply and install steam header and compressor air tank at the production facilities in Binh Phuoc province, Vietnam
“CPV Food Fire Protection System Contract”	the contract entered into between CPV Food and KSP Vietnam dated 29 April 2019 to engage KSP Vietnam to supply and construct fire protection system at the production facilities in Binh Phuoc province, Vietnam
“CPV Food Hatchery Contract”	the contract entered into between CPV Food and KSP Vietnam dated 21 November 2019 to engage KSP Vietnam as the contractor to carry out construction and related work of an egg hatchery building and its auxiliary items at the production facilities in Binh Phuoc province, Vietnam
“CPV Food Refrigeration Systems Contract”	the contract entered into between CPV Food and KSP Vietnam dated 21 November 2019 to engage KSP Vietnam as the contractor to supply and install air conditioning system at the production facilities in Binh Phuoc province, Vietnam

“CPV Food Water Tanks Contract”	the contract entered into between CPV Food and KSP Vietnam dated 27 February 2019 to engage KSP Vietnam to supply and install water tank and water tower at the production facilities in Bihn Phuoc province, Vietnam
“Directors”	the directors of the Company
“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
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the transactions contemplated under the Vietnam System Installation and Construction Contracts
“US\$”	United States dollars, the lawful currency of the United States of America
“Vietnam”	the Socialist Republic of Vietnam
“Vietnam Installation and Construction Contracts”	collectively, the CPVC Liquid Tanks Contract, the CPV Food Water Tanks Contract, the CPV Food Fire Protection System Contract, the CPVC Compressor Air Tank Contract, the CPV Food Compressor Air Tank Contract, the CPV Food Hatchery Contract, the CPV Food Refrigeration Systems Contract and the CPV Food Broiler Farm Equipment Contract

“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 = VND23,200 for indication only.

Hong Kong, 21 November 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. Andrew Ma Chiu Cheung, Mr. Sombat Deo-isres, Mr. Sakda Thanitcul, Mr. Vinai Vittavasgarnvej and Mrs. Vatchari Vimooktayon.