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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 CONSTRUCTION CONTRACTS**

THE VIETNAM CONSTRUCTION CONTRACTS

On 26 February 2019, the following subsidiaries of the Company entered into contracts with KSP Vietnam as the contractor to carry out the construction works and to procure and install equipment at feedmills which are being developed by the CPVC Group in Binh Phuoc Province, Vietnam:

<u>Subsidiary</u>	<u>Contracts</u>	<u>Facility</u>	<u>Contract Sum</u>
CPVC	Swine Feedmill Contracts	Swine feedmill	VND366.0 billion (approximately US\$15.7 million)
CPV Food	Poultry Feedmill Contracts	Poultry feedmill	VND382.7 billion (approximately US\$16.4 million)

LISTING RULES IMPLICATIONS

For the reasons explained under the section headed "Listing Rules Implications" in the text of the announcement, the Transactions are treated as connected transactions of the Company under the Listing Rules and 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.

THE VIETNAM CONSTRUCTION CONTRACTS

On 26 February 2019, the following subsidiaries of the Company entered into contracts with KSP Vietnam as the contractor to carry out the construction works and to procure and install equipment at feedmills which are being developed by the CPVC Group in Binh Phuoc Province, Vietnam:

<u>Subsidiary</u>	<u>Contract</u>	<u>Facility</u>	<u>Contract Sum</u>	
CPVC	Swine Feedmill Contracts	Swine feedmill with an annual capacity of 342,000 metric tons	VND366.0 billion (approximately million)	US\$15.7
CPV Food	Poultry Feedmill Contracts	Poultry feedmill with an annual capacity of 300,000 metric tons	VND382.7 billion (approximately million)	US\$16.4

Scope of services

KSP Vietnam shall be responsible for the construction of a swine feedmill and a poultry feedmill which are being developed by the CPVC Group in Binh Phuoc Province, Vietnam together with storage facilities, ancillary buildings and infrastructure facilities, and the procurement and installation of feed processing equipment at these feedmills.

Construction and payment terms

The construction period is 315 days from the respective signing date of the Swine Feedmill Contracts and the Poultry Feedmill Contracts. Upon completion of the construction and fitting out works, CPVC and CPV Food may inspect and test the equipment for up to 21 days before certifying the completion of the construction of the respective facilities.

CPVC and CPV Food shall pay KSP Vietnam in accordance with the progress of the construction. The total contract sum 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, 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. CPVC and CPV Food are principally engaged in (i) the manufacturing 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 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 CONSTRUCTION CONTRACTS

To further expand the Group's business in Vietnam, the CPVC Group is developing two new feedmills, one for swine feed and one for poultry feed in Binh Phuoc Province, Vietnam. The CPVC Group had invited three qualified contractors in Vietnam to provide quotations for the construction and related works for each feedmill. After reviewing the three quotations for each feedmill, the CPVC Group awarded both Vietnam Construction Contracts to KSP Vietnam which offered the most favourable prices. The terms of the Vietnam Construction Contracts were no less favourable than the terms offered by the other two contractors which quoted for each factory and are independent third parties.

The Directors (including the independent non-executive Directors) are of the view that the Vietnam 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 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. Dhanin Chearavanont (chairman and executive director of the Company), Mr. Adirek Sripratak, Mr. Soopakij Chearavanont (both vice chairmen and executive directors of the Company), Mr. Suphachai Chearavanont and Mrs. Arunee Watcharananan (both executive directors of the Company) had a material interest in the Transactions in view of their respective shareholdings in CPG, and accordingly all of them had abstained from voting on the resolutions relating to the Vietnam Construction Contracts.

Save as disclosed above, none of the other Directors who attended the relevant meeting of the Board had a material interest in the Transactions and hence none of the other Directors abstained from voting on the board resolutions for approving the Vietnam Construction Contracts.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CPF was interested in approximately 47.8% of the Shares in issue and CPG is interested in approximately 49.11% 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, its subsidiaries and their respective 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.

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

“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
“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
“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
“Poultry Feedmill Contracts”	three construction and related contracts entered into between CPV Food and KSP Vietnam dated 26 February 2019, pursuant to which CPV Food engaged KSP Vietnam as the contractor to carry out construction and related procurement of a poultry feedmill in Binh Phuoc province, Vietnam
“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
“Swine Feedmill Contracts”	three construction and related contracts entered into between CPVC and KSP Vietnam dated 26 February 2019, pursuant to which CPVC engaged KSP Vietnam as the contractor to carry out construction and related procurement of a swine feedmill in Binh Phuoc province, Vietnam
“Transactions”	the transactions contemplated under the Vietnam Construction Contracts
“US\$”	United States dollars, the lawful currency of the United States of America
“Vietnam”	The Socialist Republic of Vietnam
“Vietnam Construction Contracts”	collectively, the Swine Feedmill Contracts and the Poultry Feedmill Contracts
“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 = VND23355 for indication only.

Hong Kong, 26 February 2019

As at the date of this announcement, the Board comprises eight executive directors, namely, Mr. Dhanin Chearavanont, Mr. Adirek Sripratak, Mr. Soopakij Chearavanont, Mr. Suphachai 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.