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C.P. POKPHAND CO. LTD.

(Incorporated in Bermuda with limited liability)

(Stock Code:43)

**CONNECTED TRANSACTIONS
IN RELATION TO
THE PROJECT MANAGEMENT CONTRACTS**

PROJECT MANAGEMENT CONTRACTS

During January to March 2021, a number of subsidiaries of the Company entered into certain project management contracts with Chia Tai Handing to appoint Chia Tai Handing as the project manager for the development projects of these subsidiaries in the PRC.

LISTING RULES IMPLICATIONS

As explained in the section headed “Listing Rules Implications” below, the transactions contemplated under the Project Management Contracts are treated as connected transactions of the Company under the Listing Rules and are subject to certain reporting and announcement requirements under the Listing Rules.

PROJECT MANAGEMENT CONTRACTS

During January to March 2021, a number of subsidiaries of the Company entered into certain project management contracts with Chia Tai Handing to appoint Chia Tai Handing as the project manager for the development projects of these subsidiaries in the PRC. These development projects cover the construction of new centralized food processing facility and the upgrade of existing farming, food processing and production facilities and environmental protection works.

The amount of project management fee payable under each of such contracts is set out below:

<u>Date</u>	<u>Subsidiary</u>	<u>Project management fee</u> <i>(approximate amounts)</i>
12 January 2021	C. P. Food (Hengshui) Co., Ltd.	RMB956,000
29 January 2021	Chia Tai Food Enterprise (Qingdao) Co., Ltd.	RMB652,000
5 February 2021	C.P. Food (Nantong) Co., Ltd.	RMB768,000
26 February 2021	Hubei Chia Tai Co., Ltd.	RMB912,000
5 March 2021	Longyan Chai Tai Co., Ltd.	RMB660,000
11 March 2021	C.P. Food (Zhanjiang) Co., Ltd.	RMB353,000
23 March 2021	Chia Tai Food (Suqian) Co., Ltd.	RMB5,524,000
31 March 2021	Chia Tai Food Industry (Suqian) Co., Ltd.	RMB10,500,000
	Total:	<hr/> RMB20,325,000

The project management fee payable under each of the Project Management Contracts is equivalent to 3% of the total cost of that particular project, is payable in cash according to the completion progress of that particular project and will be funded by the Group's internal resources.

INFORMATION ON PARTIES

The Group operates in Vietnam and China. In Vietnam, the Group is principally engaged in the (1) production and sale of animal feed, (2) breeding, farming and sale of livestock and aquatic animals, and (3) production and sale of value-added processed food products. In China, the Group is principally engaged in the farming of poultry and the production and sale of value-added processed food products. The Group also has a significant investment in a company operating in China which is principally engaged in the production and sale of animal feed and breeding, farming and sale of swine and sale of pork.

Subsidiaries of the Company which entered into the Project Management Contracts are principally engaged in poultry farming and production and sale of food products.

Chia Tai Handing is a subsidiary of CPG principally engaged in management advisory, project management and technical advisory business in the PRC. It has past experience in providing project management services to the Group and is familiar with the Group's operational requirements and quality standards.

REASONS FOR AND BENEFITS OF THE PROJECT MANAGEMENT CONTRACTS

For each of the projects being undertaken by the relevant subsidiaries, the Group invited suitably qualified project managers to provide quotations. The award of the Project Management Contracts was made following a process of selecting the lowest price offered. The terms of the

Project Management Contracts entered into with Chia Tai Handing were no less favourable to the Group than the terms offered by other bidders which were independent third parties.

The Board considered that each of Mr. Soopakij Chearavanont, Mr. Adirek Sripratak, Mr. Suphachai Chearavanont, Mr. Narong Chearavanont and Mrs. Arunee Watcharananan who attended the relevant Board meeting had a material interest in the transactions contemplated under the Project Management Contracts in view of their respective shareholdings in CPG, being the holding company of Chia Tai Handing. Accordingly, they abstained from voting on the resolutions relating to the approval of the Project Management 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 contemplated under the Project Management Contracts and was required to abstain from voting on the board resolutions for approval of Project Management Contracts.

The Directors (including the independent non-executive Directors but excluding those Directors mentioned above who the Board considered to have a material interest in the transactions) believe that each of the Project Management Contracts is on normal commercial terms and has been entered into in the ordinary and usual course of business of the Group, and that the terms of each of the Project Management Contracts are fair and reasonable and that the transactions are in the best interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CPF is interested in approximately 49.74% of the Shares in issue and CPG holds approximately 46.49% 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. Accordingly, CPG and its subsidiaries and their respective associates are treated as connected persons of the Company. As Chia Tai Handing is a subsidiary of CPG, each of the transactions contemplated under the Project Management Contracts is treated as a connected transaction 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 aggregate amount of the transactions contemplated under all of the project management contracts entered into between the Group and Chia Tai Handing during the period from 25 August 2020 (being the date immediately after the date of the previous Company's announcement in relation to connected transactions of similar nature) up to 30 March 2021 (being the eight Project Management Contracts except the most recent one dated 31 March 2021) was less than 0.1%. Accordingly, the transactions under the relevant contracts entered into during this period were exempt from the reporting, announcement, circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

However, with the contract signed on 31 March 2021, at least one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transactions under all the contracts entered into since 25 August 2020 is, on an aggregated basis, more than 0.1% but less than 5%. Accordingly, the transactions under all of the Project Management Contracts are subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and 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.

“associates”	has the meaning ascribed to this term in the Listing Rules
“Board”	the board of Directors of the Company
“Chia Tai Handing”	正大漢鼎現代農業科技有限公司 (Chia Tai Handing Modern Agricultural Technology Co., Ltd.^) (formerly known as 正大漢鼎工程管理有限公司 (Chia Tai Handing Engineering Management Co., Ltd.^)), a limited liability company incorporated in the PRC and an indirect subsidiary of CPG
“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 in 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 in 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
“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 People’s Republic of China
“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
“Project Management Contracts”	collectively, the project management contracts for the relevant production facilities, further details of which are set out in the section above headed “Project Management Contracts”
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of Shares

“Shares” ordinary shares of US\$0.01 each in the capital of the Company
“Stock Exchange” The Stock Exchange of Hong Kong Limited

^ For identification purpose only.

By Order of the Board
Arunee Watcharananan
Director

Hong Kong, 31 March 2021

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. Vinai Vittavasgarnvej, Mrs. Vatchari Vimooktayon, Mr. Cheng Yuk Wo, Professor Dr. Pongsak Angkasith and General Udomdej Sitabutr.