C.P. POKPHAND CO. LTD.

(Incorporated in Bermuda with limited liability)

(Stock Code: 43)

(1) MAJOR AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF THE ENTIRE INTEREST IN MODERN STATE INVESTMENTS LIMITED
(2) INCREASE IN AUTHORISED SHARE CAPITAL
(3) AMENDMENTS TO BYE-LAWS
(4) ISSUE OF NEW CONVERTIBLE PREFERENCE SHARES
(5) SPECIFIC MANDATE FOR THE ISSUE OF NEW ORDINARY SHARES, NEW CONVERTIBLE PREFERENCE SHARES AND CPS CONVERSION SHARES
AND
(6) CONTINUING CONNECTED TRANSACTIONS

Financial Advisor to C.P. POKPHAND CO. LTD.

UBS

Independent Financial Advisor to Independent Board Committee and Independent Shareholders

CIMB

ACQUISITION

The Acquisition Agreement

Reference is made to the announcement of the Company dated 21 January 2011 where the Company announced that CPG and the Company entered into the Option Agreement pursuant to which CPG granted the Company an option to require CPG to sell or procure the sale of an aggregate of 70.82% of the total issued share capital of CPVL, an integrated livestock and aquaculture company in Vietnam.

On 30 May 2011, the Company entered into the Acquisition Agreement with the Vendor (a direct wholly owned subsidiary of CPG) in relation to the proposed acquisition by the Company of CPG's interest in 100% of the total issued share capital of Modern State, which holds 70.82% shareholding interest in CPVL. Pursuant to the Acquisition Agreement, the Vendor shall procure the sale by a subsidiary of CPG of CPG's interest in 100% of the total issued share capital of Modern State.

Through the transactions under the Acquisition Agreement, the CPP Group will acquire the business of CPVL, a leading fully integrated livestock and aquaculture company whose primary operations are in Vietnam. CPVL's business spans across manufacturing and distributing of animal feed products, breeding and farming of livestock and aquatic animals, processing of raw meats, and value-added manufacturing of food products.

The total Consideration for the Acquisition is HK$4,735.0 million. The Consideration will be satisfied by the issue to the Vendor (or as it may direct), credited as fully paid, of a total of 3,261,077,748 New Convertible Preference Shares and 2,000,000,000 New Ordinary Shares.

The Acquisition is conditional upon Independent Shareholders' approval of the Revised CCT Agreements and the Continuing Connected Transactions. The Acquisition is conditional on each of the proposed increase in authorised share capital of the Company and the proposed amendments to the Bye-laws being approved by the Shareholders, but not vice versa.

INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the Company's authorised share capital is US$500,000,000 divided into 30,000,000,000 Ordinary Shares of US$0.01 each and 20,000,000,000 Existing Convertible Preference Shares of US$0.01 each, of which 14,987,835,710 Ordinary Shares and 1,135,916,667 Existing Convertible Preference Shares were in issue and were fully paid or credited as fully paid. In order to satisfy the issue of the New Ordinary Shares, the New Convertible Preference Shares and the CPS Conversion Shares issuable upon conversion of the New Convertible Preference Shares, the Directors propose to increase the authorised share capital of the Company from US$500,000,000 divided into 30,000,000,000 Ordinary Shares and 20,000,000,000 Existing Convertible Preference Shares to US$600,000,000 divided into 36,000,000,000 Ordinary Shares, 20,000,000,000 Existing Convertible Preference Shares and 4,000,000,000 New Convertible Preference Shares by the creation of 6,000,000,000 new Ordinary Shares and 4,000,000,000 New Convertible Preference Shares. The increase in authorised share capital of the Company and the creation of the New Convertible Preference Shares are conditional upon the approval of the Shareholders by way of a special resolution at the SGM.

AMENDMENTS TO BYE-LAWS

To increase the authorised share capital of the Company and make provisions for the privileges and restrictions of the New Convertible Preference Shares in the Bye-laws, a special resolution will be proposed at the SGM to amend the Bye-laws.

PROPOSED CONTINUING CONNECTED TRANSACTION

On 30 May 2011, CPG Technical Assistance Services Agreement, MS Technical Assistance Services Agreement, Revised Master CPP Supply Agreement and Revised Master CPP Purchase Agreement were entered into by the relevant parties.

(I) Disclosable CCT Agreements

CPG Technical Assistance Services Agreement

Pursuant to the CPG Technical Assistance Services Agreement, CPG shall provide certain technical assistance services to CPP Group (through CPVL) in connection with CPVL's business.

The transactions contemplated under the CPG Technical Assistance Services Agreement constitute continuing connected transaction under Chapter 14A of the Listing Rules.

The annual cap for the service fee to be paid under the CPG Technical Assistance Services Agreement for each of the financial years ending 31 December 2011, 2012 and 2013 respectively is US$22.0 million (approximately HK$171.6 million), US$31.0 million (approximately HK$241.8 million) and US$37.7 million (approximately HK$ 294.1 million). The annual cap has been determined by reference to net sales value of the products manufactured, produced and/or sold by CPVL in the year ended 31 December 2010 and allowances for growth in the business of CPVL during the current financial year and in 2012 and 2013.

MS Technical Assistance Services Agreement

Pursuant to the MS Technical Assistance Services Agreement, Modern State shall provide certain technical assistance services within the CPP Group to non-wholly owned subsidiary CPVL in connection with CPVL's business.

The transactions contemplated under the MS Technical Assistance Services Agreement constitute continuing connected transaction under Chapter 14A of the Listing Rules.

The annual cap for the service fee to be paid under the MS Technical Assistance Services Agreement for each of the financial years ending 31 December 2011, 2012 and 2013 respectively is US$22.0 million (approximately HK$171.6 million), US$31.0 million (approximately HK$241.8 million) and US$37.7 million (approximately HK$294.1 million). The annual cap has been determined by reference to net sales value of the products manufactured, produced and/or sold by CPVL in the year ended 31 December 2010 and allowances for growth in the business of CPVL during the current financial year and in 2012 and 2013.

(II) Revised CCT Agreements

The Revised CCT Agreements have been entered into at the same time as the Acquisition Agreement in order to replace, effective upon completion of the Acquisition, the Master CPP Supply Agreement and the Master CPP Purchase Agreement entered into on 18 October 2010, which were (together with the related annual caps) approved by the Independent Shareholders, and became effective, on 24 November 2010.

Revised Master CPP Supply Agreement

Pursuant to the Revised Master CPP Supply Agreement, the CPP Group shall supply to the OSIL Group various feed-related, farm related and food related products produced or procured by the CPP Group such as animal feed, chlortetracycline, animal drugs and feed raw materials, breeding and farming livestock, and processed meats and food products to any related entity designated by OSIL, which may be required by the OSIL Group and which the CPP Group may be able to supply.

The transactions contemplated under the Revised Master CPP Supply Agreement constitute continuing connected transactions under Chapter 14A of the Listing Rules.

The proposed annual cap for the supply of the CPP Supply Products by the CPP Group to OSIL related entities for each of the financial years ending 31 December 2011, 31 December 2012 and 31 December 2013 is US$984.3 million (approximately HK$7,677.5 million), US$1,479.3 million (approximately HK$11,538.5 million) and US$1,885.7 million (approximately HK$14,708.5 million), respectively. Except for such increase in the caps due to the supply of the CPP Supply Products in Vietnam resulting from our acquisition of Modern State and CPVL pursuant to the Acquisition and the increase in the caps due to our acquisition of C.P. Aquaculture (Yangjiang) Co., Ltd. and the leasing of an additional feedmill as announced on 25 May 2011, these caps for 2011 and 2012 are the same as the caps for the corresponding years for transactions under the Master CPP Supply Agreement, which were previously approved by the Independent Shareholders. Upon its becoming effective, the Revised Master CPP Supply Agreement will replace the Master CPP Supply Agreement. As the Revised Master CPP Supply Agreement is expected to become effective some time in the course of the financial year ending 31 December 2011, the annual cap for the financial year ending 31 December 2011 will be the prorated portion of the full amount proposed for that year representing the remaining part of the financial year calculated on a day-to-day basis from the date on which the Revised Master CPP Supply Agreement becomes effective until 31 December 2011.

Revised Master CPP Purchase Agreement

Pursuant to the Revised Master CPP Purchase Agreement, the CPP Group shall purchase raw materials, machinery and equipment, promotional products, packaging materials, breed and farm livestock and aqua stock, meats and other items required for the production and sale of animal and aqua feed, farm and food products and chlortetracycline products by the CPP Group in the normal course of business and which CPT and/or any of its related entities may be able to supply.

The transactions contemplated under the Revised Master CPP Purchase Agreement constitute continuing connected transactions under Chapter 14A of the Listing Rules.

The proposed annual cap for the purchase of the CPP Purchase Products by the CPP Group from CPT and/or its related entities for each of the financial years ending 31 December 2011, 31 December 2012 and 31 December 2013 is US$414.2 million (approximately HK$3,230.8 million), US$479.0 million (approximately HK$3,736.2 million) and US$558.9 million (approximately HK$4,359.4 million), respectively. Except for such increase in the caps due to the purchase of the CPP Purchase Products in Vietnam resulting from our acquisition of Modern State and CPVL pursuant to the Acquisition and our acquisition of C.P. Aquaculture (Yangjiang) Co., Ltd. and the leasing of an additional feedmill as announced on 25 May 2011, these caps for 2011 and 2012 are the same as the caps for the corresponding years for the transactions under the Master CPP Purchase Agreement, which were previously approved by the Independent Shareholders. Upon its becoming effective, the Revised Master CPP Purchase Agreement will replace the Master CPP Purchase Agreement. As the Revised Master CPP Purchase Agreement is expected to become effective some time in the course of the financial year ending 31 December 2011, the annual cap for the financial year ending 31 December 2011 will be the prorated portion of the full amount proposed for that year representing the remaining part of the financial year calculated on a day-to-day basis from the date on which the Revised Master CPP Purchase Agreement becomes effective until 31 December 2011.

LISTING RULES IMPLICATIONS

The Acquisition

For the reasons stated in the section headed "Listing Rules Implications" below, the Acquisition (including the issue of the New Ordinary Shares and New Convertible Preference Shares as a consideration for the Acquisition) constitutes a major transaction and connected transaction for the Company.

Continuing Connected Transactions

Taking into account the annual caps of the respective transactions under the Discloseable CCT Agreements, the respective transactions contemplated under the Discloseable CCT Agreements will constitute continuing connected transactions for the Company exempt from the independent shareholders' approval requirement under Rule 14A.34 of the Listing Rules. Taking into account the annual caps of the respective transactions under the Revised CCT Agreements, the respective transactions contemplated under the Revised CCT Agreements will constitute non-exempt continuing connected transactions for the Company under Rule 14A.35 of the Listing Rules and will be subject to Independent Shareholders' approval at the SGM.

Shareholders' Approval and Independent Board Committee

The Company will convene a SGM to seek, amongst other things the approval of the Independent Shareholders in respect of the Acquisition, the Revised CCT Agreements and the Continuing Connected Transactions (including the proposed annual caps). The Chearavanont Shareholders and their respective 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 Acquisition, the Revised CCT Agreements and the Continuing Connected Transactions and CIMB Securities (HK) Limited has been appointed to advise the Independent Board Committee and the Independent Shareholders whether the terms of the Acquisition, the Revised CCT Agreements and the Continuing Connected Transactions are fair and reasonable and in the interests of the Shareholders as a whole.

Circular

A circular containing, among other things, (i) further information on the Acquisition, the Revised CCT Agreements and the Continuing Connected Transactions; (ii) a letter from the independent financial adviser containing its advice to the Independent Board Committee on the Acquisition, the Revised CCT Agreements and the Continuing Connected Transactions; (iii) the recommendation of the Independent Board Committee to the Independent Shareholders; and (iv) a notice convening the SGM is expected to be dispatched to Shareholders on or before 21 June 2011 in accordance with the Listing Rules.

Completion of the Acquisition is subject to various conditions and may or may not proceed to completion. Shareholders and potential investors of the Company should exercise caution when dealing in the CPP Shares.

A. ACQUISITION

Background

Reference is made to the announcement of the Company dated 21 January 2011 where the Company announced that CPG and the Company entered into the Option Agreement pursuant to which CPG granted the Company an option to require CPG to sell or procure the sale of an aggregate of 70.82% of the total issued share capital of CPVL, an integrated livestock and aquaculture company in Vietnam.

On 30 May 2011, the Company entered into the Acquisition Agreement with the Vendor (a direct wholly owned subsidiary of CPG) in relation to the proposed acquisition by the Company of CPG's interest in 100% of the total issued share capital of Modern State, which holds 70.82% shareholding interest in CPVL. Pursuant to the Acquisition Agreement, the Vendor shall procure the sale by a subsidiary of CPG of CPG's interest in 100% of the total issued share capital of Modern State.

Through the transactions under the Acquisition Agreement, the CPP Group will acquire the business of CPVL which spans across manufacturing and distributing of animal feed products, breeding and farming of livestock and aquatic animals, processing of raw meats, and value-added manufacturing of food products.

The total Consideration for the Acquisition is HK$4,735.0 million. The Consideration will be satisfied by the issue to the Vendor (or as it may direct), credited as fully paid, of a total of 3,261,077,748 New Convertible Preference Shares and 2,000,000,000 New Ordinary Shares.

A summary of the major terms of the Acquisition is set out below.

1. THE ACQUISITION

The Acquisition Agreement

(a) Date

30 May 2011

(b) Parties

Vendor	:	CPG Overseas Company Limited
Purchaser	:	The Company

(c) Assets to be acquired

CPP has conditionally agreed to acquire from CPG all of CPG's interests in Modern State. The principal asset of Modern State is its holding of a 70.82% shareholding interest in CPVL.

(d) Consideration and Payment

The total Consideration for the Acquisition is HK$4,735.0 million and will be satisfied by the issue to the Vendor (or as it may direct), credited as fully paid at the issue price of HK$0.9 each, of a total of 3,261,077,748 New Convertible Preference Shares and 2,000,000,000 New Ordinary Shares.

The Consideration was arrived at after arm's length negotiations among the parties by using 12.5 times the sum of (a) 70.82% of the audited net profit after tax of CPVL for the year ended 31 December 2010 and (b) the Audited 2010 Technical Service Fee Adjustment.

Further details of the terms of the New Convertible Preference Shares are set out below in the section headed "Summary of Terms of New Convertible Preference Shares" in this announcement.

(e) Issue Price

The issue price of HK$0.9 for each New Ordinary Shares and each New Convertible Preference Share was determined after arm's length negotiations between the parties to the Acquisition Agreement. The issue price of HK$0.9 represents:

(i) a discount of approximately 3.23% to the closing price of HK$0.930 per Ordinary Share as quoted on the Stock Exchange on the last Trading Day before the Acquisition Agreement;

(ii) a discount of approximately 4.05% to the average of the closing prices of HK$0.938 per Ordinary Share as quoted on the Stock Exchange for the 5 consecutive Trading Days up to and including the last Trading Day before the Acquisition Agreement;

(iii) a discount of approximately 9.73% to the average of the closing prices of HK$0.997 per Ordinary Share as quoted on the Stock Exchange for the 30 consecutive Trading Days up to and including the last Trading Day before the Acquisition Agreement;

(iv) a discount of approximately 3.02% to the average of the closing prices of HK$0.928 per Ordinary Share as quoted on the Stock Exchange for the 180 consecutive Trading Days up to and including the last Trading Day before the Acquisition Agreement; and

(v) a premium of approximately 275% to the audited net asset value per CPP Share as at 31 December 2010 of approximately HK$0.24 per CPP Share.

The issue price of HK$0.9 per New Ordinary Share and per New Convertible Preference Share represents a 14.3% discount to the closing price as at 20 January 2011 (being the last Trading Day before the Company's announcement on 21 January 2011).

(f) Conditions Precedent

Completion of the Acquisition is subject to, among other matters, the following conditions having been fulfilled or waived under the Acquisition Agreement (as the case may be):

(i) the approval of the Independent Shareholders being obtained in respect of the Acquisition Agreement and the Revised CCT Agreements (and the transactions contemplated thereunder respectively), including without limitation the issue and allotment of the New Ordinary Shares and the Series B Convertible Preference Shares and (upon conversion of the Series B Convertible Preference Shares) the CPS Conversion Shares;

(ii) the increase in the authorised share capital of CPP from the current US$500,000,000 divided into 30,000,000,000 Ordinary Shares and 20,000,000,000 Existing Convertible Preference Shares to US$600,000,000 divided into 36,000,000,000 Ordinary Shares, 20,000,000,000 Existing Convertible Preference Shares (which shall be redesignated as "Series A Convertible Preference Shares") and 4,000,000,000 Series B Convertible Preference Shares and the passing of a special resolution at the SGM for the alteration of the Bye-laws to provide for, among other things, the rights, privileges and restrictions of the Series B Convertible Preference Shares;

(iii) the approval of the Listing Committee of the Stock Exchange being obtained for the listing of and permission to deal in the New Ordinary Shares and CPS Conversion Shares on the Stock Exchange;

(iv) the completion of the legal and financial due diligence review on the Target Group to the reasonable satisfaction of CPP;

(v) the creation of the New Convertible Preference Shares being approved by the holders of the Existing Convertible Preference Shares;

(vi) CPP being satisfied that any or all other material approvals, consents and waivers required by any applicable law or rules or regulations, or by governmental, administrative or regulatory bodies necessary or otherwise appropriate, for the parties to consummate the transactions contemplated by the Acquisition Agreement, have been obtained; and

(vii) authorisations and consents required from certain lending banks of the Target Group, for or in connection with the execution, validity and performance of the Acquisition Agreement (including in particular the ownership change of Modern State as contemplated under the Acquisition Agreement) have been obtained.

(g) Completion

Completion of the Acquisition Agreement is expected to take place no later than 31 December 2011, or such later date as the parties to the Acquisition Agreement may agree in writing.

Upon Completion, Modern State will become a wholly-owned subsidiary of the CPP Group and the financial statements of Modern State and CPVL will be consolidated into the Company's consolidated financial statements.

2. SUMMARY OF TERMS OF NEW CONVERTIBLE PREFERENCE SHARES

A summary of the principal terms of the New Convertible Preference Shares is set out below.

Par value	US$0.01 each.
Issue price	HK$0.90 per New Convertible Preference Share.
Conversion period	Any time after issue, provided that the conversion right will be suspended to the extent that it would result in the Company failing to comply with any Public Float Requirement under the Listing Rules applicable to the Company.
Conversion ratio	Each New Convertible Preference Share shall be convertible into such number of Ordinary Share(s) being one (1) multiplied by the conversion rate. The conversion rate shall be determined by dividing the issue price of each New Convertible Preference Share by the conversion price.

Conversion price	The initial conversion price is the issue price. The conversion price is subject to adjustment upon the occurrence of certain prescribed events (including consolidation, subdivision or reclassification of shares, capitalization of profits or reserves, capital distributions, rights issues of Ordinary Shares or options over Ordinary Shares, and issues of convertible securities with consideration at less than the conversion price), but provided that the conversion price shall not be less than the then subsisting nominal value of a Ordinary Share into which such New Convertible Preference Share is being converted. If any adjustment is required to be made to the conversion price, an announcement will be made by the Company.
Dividends and distributions	Each New Convertible Preference Share shall confer on the holder thereof the right to receive dividend pari passu with holders of Ordinary Shares on the basis of the number of Ordinary Share(s) into which each New Convertible Preference Share may be converted and on an as converted basis.
Voting rights	The holder(s) of New Convertible Preference Shares shall not have the right to attend and vote at a general meeting (except a general meeting for winding-up of the Company or a resolution is to be proposed which if passed would vary or abrogate the rights or privileges of such holder(s) or vary the restrictions to which the New Convertible Preference Shares are subject).

Ranking	The New Convertible Preference Shares shall rank pari passu with the Existing Convertible Preference Shares, and the following provisions shall apply to both the Existing Convertible Preference Shares and the New Convertible Preference Shares. On a distribution of assets on liquidation, winding-up or dissolution of the Company, the assets and funds of the Company available for distribution among the members of the Company shall, subject to applicable laws, be applied in the following priority: (i) firstly, in paying to the holders of the Convertible Preference Shares, pari passu as between themselves by reference to the aggregate nominal amounts of the Convertible Preference Shares held by them respectively, an amount equal to, respectively, the aggregate of the issue price of all of the Convertible Preference Shares held by them respectively; and (ii) secondly, the balance of such assets shall be distributed on a pari passu basis among the holders of any class of shares in the capital of the Company other than the Convertible Preference Shares or other than any shares which are not entitled to participate in the distribution of such assets, by reference to the aggregate nominal amounts of the shares held by them respectively; and (iii) the remaining balance of such assets shall belong to and be distributed on a pari passu basis among the holders of any class of shares including the Convertible Preference Shares, other than any shares not entitled to participate in the distribution of such assets, by reference to the aggregate nominal amount of shares held by them respectively.
Transferability	The New Convertible Preference Shares shall be transferable without any restriction by the holders thereof.

Redemption	The New Convertible Preference Shares shall be non-redeemable by the Company or the holders thereof.
Listing	No application will be made for the listing of the New Convertible Preference Shares on the Stock Exchange or any other stock exchange.

3. INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the Company's authorised share capital is US$500,000,000 divided into 30,000,000,000 Ordinary Shares of US$0.01 each and 20,000,000,000 Existing Convertible Preference Shares of US$0.01 each, of which 14,987,835,710 Ordinary Shares and 1,135,916,667 Existing Convertible Preference Shares were in issue and were fully paid or credited as fully paid. In order to satisfy the issue of the New Ordinary Shares, the New Convertible Preference Shares and the CPS Conversion Shares issuable upon conversion of the New Convertible Preference Shares, the Directors propose to increase the authorised share capital of the Company from US$500,000,000 divided into 30,000,000,000 Ordinary Shares and 20,000,000,000 Existing Convertible Preference Shares to US$600,000,000 divided into 36,000,000,000 Ordinary Shares, 20,000,000,000 Existing Convertible Preference Shares and 4,000,000,000 New Convertible Preference Shares by the creation of 6,000,000,000 new Ordinary Shares and 4,000,000,000 New Convertible Preference Shares. The increase in authorised share capital of the Company and the creation of the New Convertible Preference Shares are conditional upon the approval of the Shareholders by way of a special resolution at the SGM.

4. AMENDMENTS TO BYE-LAWS

To increase the authorised share capital of the Company and make provisions for the privileges and restrictions of the New Convertible Preference Shares in the Bye-laws, a special resolution will be proposed at the SGM to amend the Bye-laws.

5. SPECIFIC MANDATE AND APPLICATION FOR LISTING

The issue of the New Ordinary Shares, New Convertible Preference Shares and the CPS Conversion Shares, issuable upon conversion of the New Convertible Preference Shares, will be made under a special mandate which the Directors will seek from the Shareholders at the SGM.

An application will be made to the Listing Committee of the Stock Exchange for the listing of the New Ordinary Shares and CPS Conversion Shares to be issued on conversion of the New Convertible Preference Shares.

6. SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company has in issue 14,987,835,710 Ordinary Shares and 1,135,916,667 Existing Convertible Preference Shares. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the following table sets out the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after Completion and the allotment and issue of the New Convertible Preference Shares and New Ordinary Shares; (iii) immediately after full conversion of the New Convertible Preference Shares, assuming no further shares (including shares to be issued upon conversion of Existing Convertible Preference Shares) will be issued or repurchased by the Company in the meantime; and (iv) immediately after full conversion of both the Existing Convertible Preference Shares and the New Convertible Preference Shares, assuming no other shares will be issued and no shares will be repurchased by the Company in the meantime:

Name of shareholders	Existing shareholding structure			Shareholding structure immediately after Completion and allotment and issue of the New Convertible Preference Shares and New Ordinary Shares				Shareholding structure after full conversion of New Convertible Preference Shares				Shareholding structure Immediately after full conversion of New Convertible Preference Shares and Existing Convertible Preference Shares			
	No. of Ordinary Shares	%	No. of Existing Convertible Preference Shares	No. of Ordinary Shares	%	No. of Existing Convertible Preference Shares	No. of New Convertible Preference Shares	No. of Ordinary Shares	%	No. of Existing Convertible Preference Shares	No. of New Convertible Preference Shares	No. of Ordinary Shares	%	No. of Existing Convertible Preference Shares	No. of New Convertible Preference Shares
OSIL	9,134,818,089	60.94%	0	9,134,818,089	53.77%	0	0	9,134,818,089	45.11%	0	0	9,134,818,089	42.72%	0	0
CPI Holding Co., Ltd.	1,004,014,695	6.70%	0	1,004,014,695	5.91%	0	0	1,004,014,695	4.96%	0	0	1,004,014,695	4.69%	0	0
Worth Access Trading Limited	481,250,000	3.21%	0	2,481,250,000	14.61%	0	3,261,077,748	5,742,327,748	28.36%	0	0	5,742,327,748	26.85%	0	0
Chearavanont Shareholders (directly held)	843,750	0.01%	0	843,750	0.00%	0	0	843,750	0.00%	0	0	843,750	0.00%	0	0
Chearavanont Shareholders (directly and indirectly held, in aggregate)	10,620,926,534	70.86%	0	12,620,926,534	74.29%	0	0	15,882,004,282	78.43%	0	0	15,882,004,282	74.27%	0	0
Public Shareholders	4,366,909,176	29.14%	1,135,916,667	4,366,909,176	25.71%	1,135,916,667	0	4,366,909,176	21.57%	1,135,916,667	0	5,502,825,843	25.73%	0	0
Total	**14,987,835,710**	**100%**	**1,135,916,667**	**16,987,835,710**	**100%**	**1,135,916,667**	**3,261,077,748**	**20,248,913,458**	**100%**	**1,135,916,667**	**0**	**21,384,830,125**	**100%**	**0**	**0**

Note:

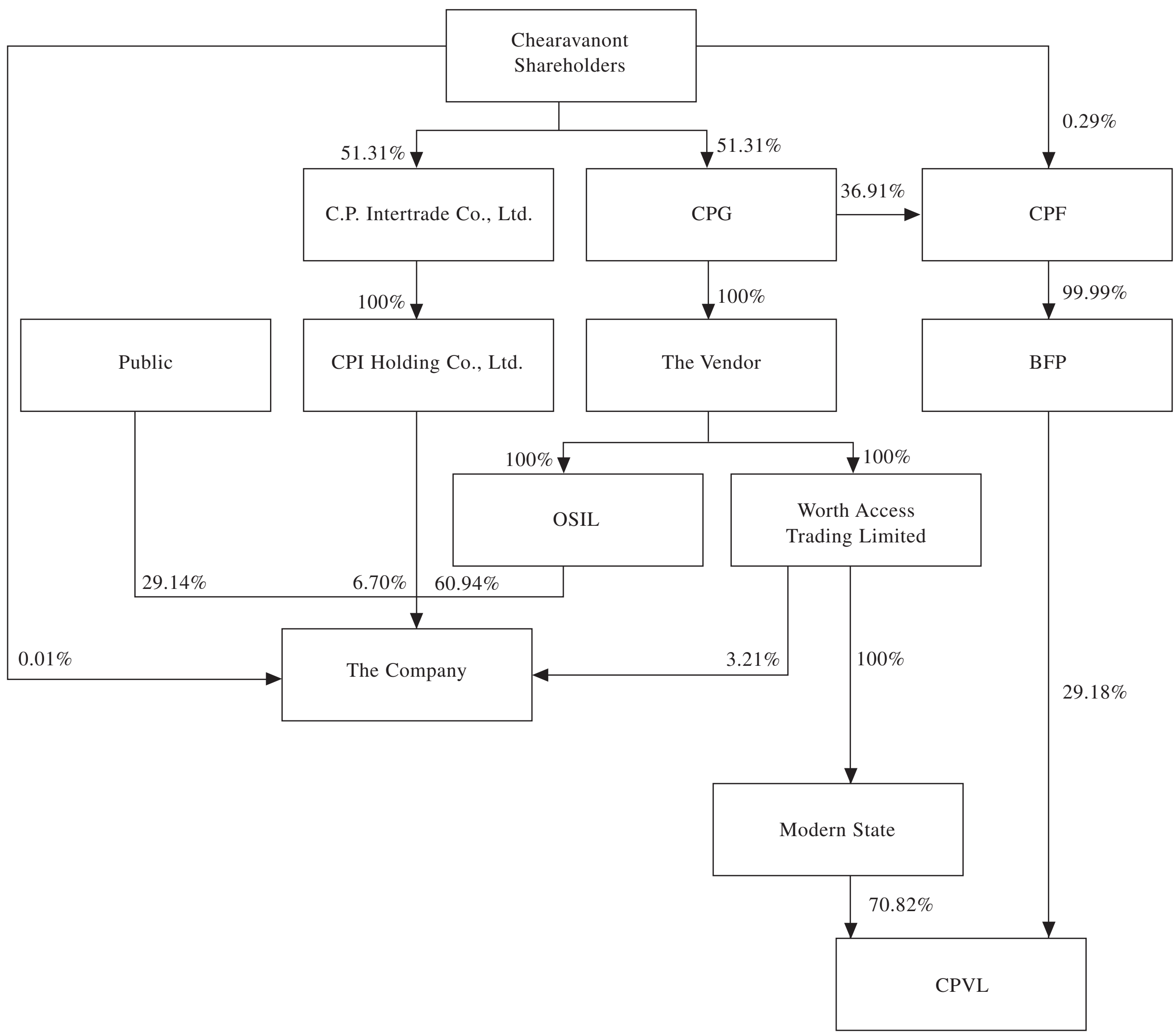
The above chart does not include a total of 3,300,540,621 Existing Convertible Preference Shares which will be issued and allotted to OSIL upon full repayment of outstanding advances from the CPP Group to OSIL, its subsidiaries and jointly-controlled entities.

The Board anticipates that the issue and conversion of the New Convertible Preference Shares will not result in a change of control of the Company.

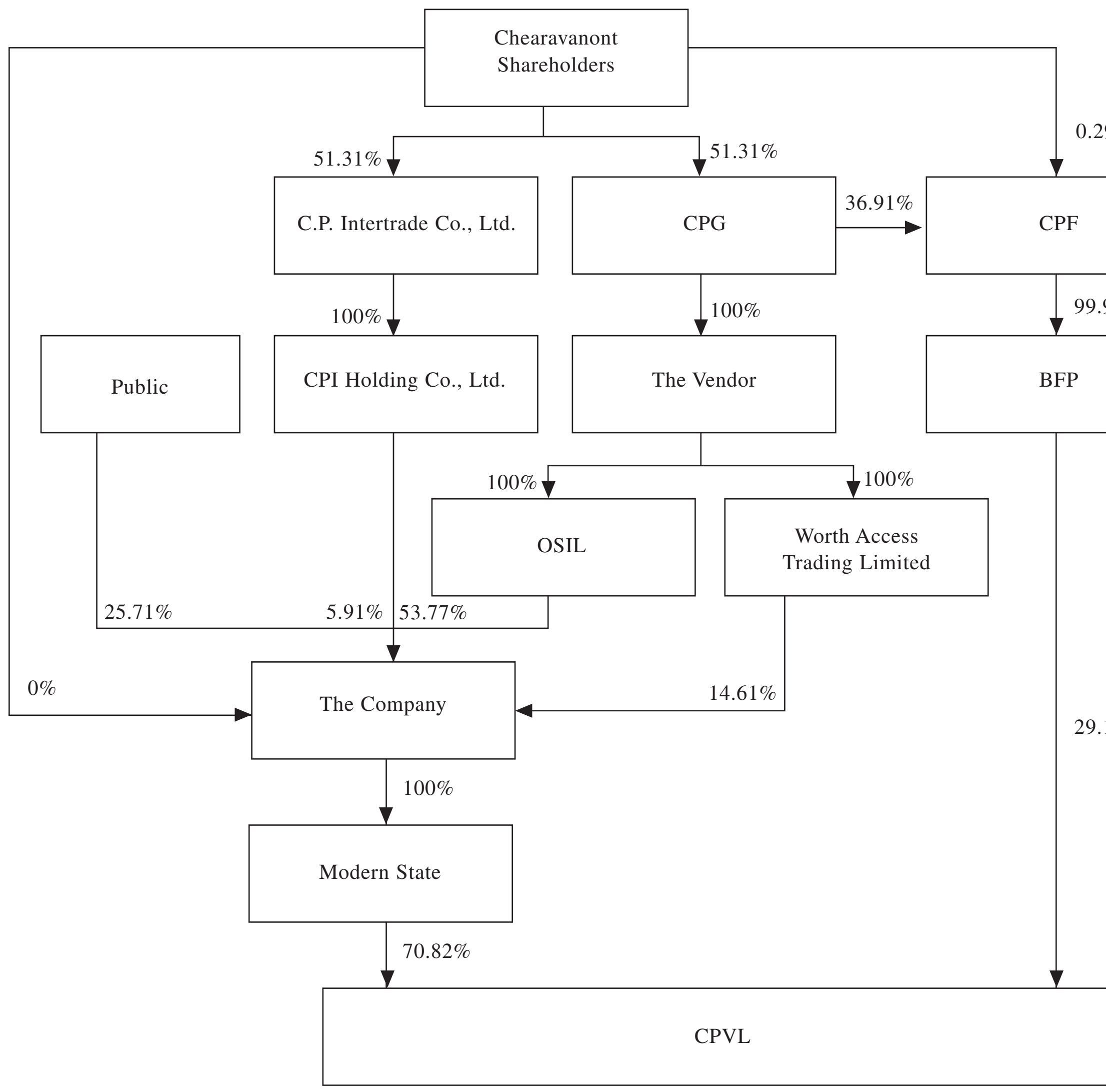
7. STRUCTURE CHART PRIOR TO/POST ACQUISITION

The following simplified diagrams illustrate the corporate and shareholding structure (in terms of ordinary shares) of the CPP Group (a) as at the date of this announcement; and (b) immediately after completion of the Acquisition (assuming none of the New Convertible Preference Shares are converted):-

(a) As at the date of this announcement:



(b) Immediately after completion of the Acquisition (assuming (i) none of the Convertible Preference Shares are converted and (ii) all of the New Ordinary Shares to be issued by way of payment of part of the Consideration are to be issued to Worth Access Trading Limited):



B. CONTINUING CONNECTED TRANSACTIONS

(I) Discloseable CCT Agreements

Transactions under the following Discloseable CCT Agreements will amount to connected transactions for the purposes of the Listing Rules:-

1. CPG Technical Assistance Services Agreement

Date

30 May 2011

Parties

- CPG
- CPVL

Subject

Provision of certain technical assistance services by CPG to CPP Group (through CPVL) in connection with CPVL's business, including, amongst others :-

- feed formulation, execution of feed manufacturing, livestock and aquaculture farming, human food production and the quality control of and maintenance of CPVL's product quality standards
- training and instruction of technical personnel
- advice and assistance in the selection of raw materials, machinery and equipment
- engineering advice in the design and construction of production facilities
- on-site service and training.

Service fee

Equivalent to 1.5% of the net sales value of the products manufactured, produced and/or sold by CPVL in Vietnam or exported from Vietnam, exclusive of value added tax chargeable on the sale of such products under applicable Vietnam laws and regulations, commercial discounts, rebates and returned goods.

Payment terms

The service fee is payable, by reference to the sales invoices in each six month period, by the last day of the first month in the next six month period. Payments are to be made by bank transfer in US$, at the exchange rate for selling US$ applied on the payment date.

Term

Subject to and upon completion of the Acquisition, the CPG Technical Assistance Services Agreement will remain in force up to and including 31 December 2013. The CPG Technical Assistance Services Agreement will be automatically extended for another period of three years at the expiry date of the term, or any extended term, unless (among other things) shareholders' approval by any direct or indirect holding company of CPVL is required for such extension under any applicable regulatory requirements and such shareholders' approval has not been obtained prior to such extension.

Annual cap

The annual cap for the service fee to be paid under the CPG Technical Assistance Services Agreement for each of the financial years ending 31 December 2011, 2012 and 2013 respectively is US$22.0 million (approximately HK$171.6 million), US$31.0 million (approximately HK$241.8 million) and US$37.7 million (approximately HK$294.1 million). As the CPG Technical Assistance Services Agreement is expected to become effective some time in the course of the financial year ending 31 December 2011, the annual cap for the financial year ending 31 December 2011 will be prorated portion of the full amount for that year representing the remaining part of the financial year calculated on a day-to-day basis from the date on which the CPG Technical Assistance Services Agreement becomes effective until 31 December 2011.

The annual cap has been determined by reference to net sales value of the products manufactured, produced and/or sold by CPVL in the year ended 31 December 2010 and allowances for growth in the business of CPVL during the current financial year and in 2012 and 2013.

2. MS TECHNICAL ASSISTANCE SERVICES AGREEMENT

Date

30 May 2011

Parties

- Modern State
- CPVL

Subject

Provision of certain technical assistance services within the CPP Group by wholly owned subsidiary Modern State to non-wholly owned subsidiary CPVL in connection with CPVL's business, including, amongst others:-

- advice and assistance in the management in accounting, financial and investment control, internal auditing and new accounting techniques

- advice and assistance in personnel management and administration

- advice and assistance in marketing, including training and selection of sales staff

Service fee

Equipment to 1.5% of the net sales value of the products manufactured, produced and/or sold by CPVL in Vietnam or exported from Vietnam, exclusive of value added tax chargeable on the sale of such products under applicable Vietnam laws and regulations, commercial discounts, rebates and returned goods.

Payment terms

The service fee is payable, by reference to the sales invoices in each six month period, by the last day of the first month in the next six month period. Payments are to be made by bank transfer in US$, at the exchange rate for selling US$ applied on the payment date.

Term

Subject to and upon completion of the Acquisition, the MS Technical Assistance Services Agreement will remain in force up to and including 31 December 2013. The MS Technical Assistance Services Agreement will be automatically extended for another period of three years at the expiry date of the term, or any extended term, unless (among other things) shareholders' approval by any direct or indirect holding company of CPVL is required for such extension under any applicable regulatory requirements and such shareholders' approval has not been obtained prior to such extension.

Annual cap

The annual cap for the service fee to be paid under the MS Technical Assistance Services Agreement for each of the financial years ending 31 December 2011, 2012 and 2013 respectively is US$22.0 million (approximately HK$171.6 million), US$31.0 million (approximately HK$241.8 million) and US$37.7 million (approximately HK$294.1 million). As the MS Technical Assistance Services Agreement is expected to become effective some time in the course of the financial year ending 31 December 2011, the annual cap for the financial year ending 31 December 2011 will be the prorated portion of the full amount for that year representing the remaining part of the financial year calculated on a day-to-day basis from the date on which the MS Technical Assistance Services Agreement becomes effective until 31 December 2011.

The annual cap has been determined by reference to net sales value of the products manufactured, produced and/or sold by CPVL in the year ended 31 December 2010 and allowances for growth in the business of CPVL during the current financial year and in 2012 and 2013.

(II) Revised CCT Agreements

The following Revised CCT Agreements have been entered into at the same time as the Acquisition Agreement in order to replace, effective upon completion of the Acquisition, the Master CPP Supply Agreement and the Master CPP Purchase Agreement entered into on 18 October 2010, which were (together with the related annual caps) approved by the Independent Shareholders, and became effective, on 24 November 2010. Their replacement has been necessitated by the inclusion of CPVL and its business in the CPP Group upon completion of the Acquisition.

1. Revised Master CPP Supply Agreement

(a) Date

30 May 2011

(b) Parties

(i) The Company (as supplier)

(ii) OSIL (as purchaser)

(c) Subject matter

Supply of various feed-related, farm-related and food-related products produced or procured by the CPP Group, such as animal feed, chlortetracycline, animal drugs and feed raw materials, breeding and farming livestock, and processed meats and food products to any related entity designated by OSIL, which may be required by such entity and which the CPP Group may be able to supply.

(d) Price

To be determined by reference to the prevailing market prices of, the cost of marketing (if any) and demand for the CPP Supply Products in the PRC and Vietnam, and the sale prices for such products to be sold by the CPP Group to any related entity designated by OSIL shall be no less favourable than those available to the CPP Group from purchasers which are independent third parties.

(e) Payment terms

Credit term of up to 60 days from delivery or generally accepted market terms from time to time. Payment for the purchases shall be made by telegraphic transfer, bank issued bills payable within three months or other payment methods acceptable in the PRC or Vietnam.

(f) Term

The Revised Master CPP Supply Agreement shall take effect from the date of completion of the Acquisition and continue until 31 December 2013. The Revised Master CPP Supply Agreement is subject to the approval of the Independent Shareholders.

(g) Annual caps

The proposed annual cap for the supply of the CPP Supply Products by the CPP Group to OSIL related entities for each of the financial years ending 31 December 2011, 31 December 2012 and 31 December 2013 is US$984.3 million (approximately HK$7,677.5 million), US$1,479.3 million (approximately HK$11,538.5 million) and US$1,885.7 million (approximately HK$14,708.5 million), respectively. Except for such increase in the caps due to the supply of the CPP Supply Products in Vietnam resulting from our acquisition of Modern State and CPVL pursuant to the Acquisition and the increase in the caps due to our acquisition of C.P. Aquaculture (Yangjiang) Co., Ltd. and the leasing of an additional feedmill as announced on 25 May 2011, these caps for 2011 and 2012 are the same as the caps for the corresponding years for transactions under the Master CPP Supply Agreement, which were previously approved by the Independent Shareholders. Upon its becoming effective, the Revised Master CPP Supply Agreement will replace the Master CPP Supply Agreement. As the Revised Master CPP Supply Agreement is expected to become effective some time in the course of the financial year ending 31 December 2011, the annual cap for the financial year ending 31 December 2011 will be the prorated portion of the full amount proposed for that year representing the remaining part of the financial year calculated on a day-to-day basis from the date on which the Revised Master CPP Supply Agreement becomes effective until 31 December 2011.

The proposed annual caps have been determined by reference to: (i) the value of the historical sales of the CPP Supply Products by the CPP Group to OSIL related entities for the four months ended 30 April 2011; (ii) the prevailing market prices of the CPP

Supply Products; (iii) allowances for possible price increases in line with consumer prices in the PRC and Vietnam generally and volume growth in the future; (iv) the expected increase in demand for the CPP Supply Products during the relevant period due to the expected expansion of the scope of products and the production capacity of the CPP Group; (v) internal projection of the expected sales volume of the CPP Supply Products based on the above factors; (vi) the subject matter of the Revised Master CPP Supply Agreement being expanded on account of the products of CPVL (which following completion of the Acquisition will become part of the CPP Group) becoming part of "CPP Supply Products"; and (vii) our acquisition of C.P. Aquaculture (Yangjiang) Co., Ltd. and the leasing of an additional feedmill as announced on 25 May 2011.

2. Revised Master CPP Purchase Agreement

(a) Date

30 May 2011

(b) Parties

(i) The Company (as purchaser)

(ii) CPT (as supplier)

(c) Subject matter

Purchase of raw materials, machinery and equipment, promotional products, packaging materials, breed and farm livestock and aqua stock, meats and other items required for the production and sale of animal and aqua feed, farm and food products and chlortetracycline products by the CPP Group in the normal course of business and which CPT and/or any of its related entities may be able to supply.

(d) Price

To be determined on the basis of arm's length negotiations and the purchase prices of the CPP Purchase Products shall not be higher than the prevailing market prices in the PRC or Vietnam, and shall be no less favourable than those available to the CPP Group from suppliers which are independent third parties.

(e) Payment terms

Credit term of up to 60 days from delivery or generally accepted market terms from time to time. Payment for the purchases shall be made by telegraphic transfer, bank issued bills payable within three months or other payment methods acceptable in the PRC or Vietnam.

(f) Term

The Revised Master CPP Purchase Agreement shall take effect from the date of completion of the Acquisition and continue until 31 December 2013. The Revised Master CPP Purchase Agreement is subject to the approval of the Independent Shareholders.

(g) Annual caps

The proposed annual cap for the purchase of the CPP Purchase Products by the CPP Group from CPT and/or its related entities for each of the financial years ending 31 December 2011, 31 December 2012 and 31 December 2013 is US$414.2 million (approximately HK$3,230.8 million) US$479.0 million (approximately HK$3,736.2 million) and US$558.9 million (approximately HK$4,359.4 million), respectively. Except for such increase in the caps due to the purchase of the CPP Purchase Products in Vietnam resulting from our acquisition of Modern State and CPVL pursuant to the Acquisition and our acquisition of C.P. Aquaculture (Yangjiang) Co., Ltd. and the leasing of an additional feedmill as announced on 25 May 2011, these caps for 2011 and 2012 are the same as the caps for the corresponding years for the transactions under the Master CPP Purchase Agreement, which were previously approved by the Independent Shareholders. Upon its becoming effective, the Revised Master CPP Purchase Agreement will replace the Master CPP Purchase Agreement. As the Revised Master CPP Purchase Agreement is expected to become effective some time in the course of the financial year ending 31 December 2011, the annual cap for the financial year ending 31 December 2011 will be the prorated portion of the full amount proposed for that year representing the remaining part of the financial year calculated on a day-to-day basis from the date on which the Revised Master CPP Purchase Agreement becomes effective until 31 December 2011.

The proposed annual caps have been determined by reference to: (i) the value of the historical purchases of CPP Purchase Products by the CPP Group from OSIL related entities for the four months ended 30 April 2011; (ii) internal projection of the expected purchase volume of the CPP Purchase Products based on the factors as set out below; (iii) the prevailing market prices of the CPP Purchase Products; (iv) allowances for possible price increases in line with consumer prices in the PRC and Vietnam generally and volume growth in the future; (v) the expected demand for the relevant products by the CPP Group (including, assuming completion of the Acquisition, CPVL) over the period due to potential growth of the production capacity of the CPP

Group; (vi) the subject matter of the Revised Master CPP Purchase Agreement being expanded on account of the products required by CPVL (which following completion of the Acquisition will become part of the CPP Group) becoming part of "CPP Purchase Products"; and (vii) our acquisition of C.P. Aquaculture (Yangjiang) Co., Ltd. and the leasing of an additional feedmill as announced on 25 May 2011.

C. INFORMATION ON PARTIES AND INTERESTS TO BE ACQUIRED

The CPP Group is principally engaged in the operation of feedmills for the production and sale of feed products. Additionally, the CPP Group is involved in various other relatively smaller businesses, including the production and sale of chlortetracycline products, and through its jointly-controlled entities, in the manufacture and sale of motorcycles, the sale of Caterpillar machinery, and the manufacture and sale of carburetors and automobile accessories.

CPG Overseas Company Limited is principally an investment holding company. It is a direct wholly owned subsidiary of CPG, which is owned as to 51.31% by the Chearavanont Shareholders.

CPVL was established in Vietnam in 1993 and is a fully integrated livestock and aquaculture company. As a leader in the livestock and aquaculture business in Vietnam, CPVL is principally engaged in the following:

(i) manufacturing and distributing animal feed;

(ii) breeding and farming of livestock and aquatic animals; and

(iii) processing and production of meat and food products.

CPVL's main products include feed for swine, poultry, shrimp and fish and livestock farming products which accounted for approximately 56% and 37%, respectively, of the total revenue of CPVL for the year ended 31 December 2010.

Set out below is a summary of key combined financial information of the Target Group for the two years ended 31 December 2010, which has been prepared in accordance with the accounting policies in compliance with International Financial Reporting Standards:-

	2009 *US$ million* (unaudited)	**2010** *US$ million* (unaudited)
Revenue	869.4	1,046.5
Profit for the year	59.7	51.6

Based on the unaudited combined accounts of the Target Group, the combined net assets value as at 31 December 2010 was approximately US$205.9 million.

D. REASONS FOR THE ACQUISITION

The Board believes that the Acquisition is a good opportunity for CPP to have:

(i) a controlling interest in a leading integrated livestock and aquaculture company in Vietnam in both commercial feed market and industrial farming market with approximately 20% market share of the commercial feed market and 30% of broiler farming markets;

(ii) a broadened and diversified business base of the CPP Group;

(iii) exposure to one of the fastest growing feed and farming markets in Southeast Asia; and

(iv) enhanced economies of scale in purchasing raw materials for its combined feed business.

CPP is a leading feed producer in China controlling over 78 feed mills across 28 provinces and municipalities in China. CPVL is a fully integrated livestock and aquaculture company whose primary operations are in Vietnam. CPVL's business spans across manufacturing and distributing of animal feed products, breeding and farming of livestock and aquatic animals, distribution of feed products, processing of raw meats, and value-added manufacturing of food products.

Vietnam has a young and expanding population; according to the CIA World Fact book, Vietnam is expected to have a population of over 90 million in July by mid 2011 with a median age of 27.8 years. Total meat consumption per capita in Vietnam is 40.7kg in 2007, compared to 28.3kg in Thailand, 122.8kg in United States and 53.5kg in China, according to FAO.

For feed production, CPVL currently has 4 livestock feed mills with a capacity of approximately 2.3 million tons per year and 3 aquatic feed mills with a capacity of approximately 610,000 tons per year.

For livestock farming business, CPVL currently has 40 management branches and approximately 2,300 livestock farms, whereas 2,290 livestock farms are operated via contract farming, which helps the rapid business expansion. For aquatic farming business, the Target Group currently operates 6 shrimp farms/hatcheries and 4 fish farms.

For food business, CPVL currently has one chicken food processing plant with two main production lines: meat processing line with capacity of approximately 730 tons per month and sausage production line with capacity of approximately 260 tons per month and a cold storage for aqua products with a current capacity of 3,000 tons per year.

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the independent financial adviser) consider the proposed terms of the Acquisition, are on normal commercial terms, fair and reasonable and in the interest of the shareholders of the Company as a whole.

E. REASONS FOR THE CONTINUING CONNECTED TRANSACTIONS

As Modern State and CPVL will become subsidiaries of the Company upon completion of the Acquisition, the CPG Technical Assistance Services Agreement and the MS Technical Assistance Services Agreement have been entered into in connection with the provision of technical assistance services by CPG to CPVL and by Modern State to CPVL respectively. The Revised Master CPP Supply Agreement and Revised Master CPP Purchase Agreement have also been entered into in order to replace the previous Master CPP Supply Agreement and Master CPP Purchase Agreement as necessitated by the inclusion of CPVL and its business in the CPP Group upon completion of the Acquisition.

The Directors (excluding, for the purposes of the Revised CCT Agreements, the independent non-executive Directors whose views will be given after taking into account the advice from the independent financial adviser) consider the proposed terms of the continuing connected transactions under the Discloseable CCT Agreements and the Revised CCT Agreements, including the respective annual caps, are on normal commercial terms, fair and reasonable and in the interest of the shareholders of the Company as a whole.

F. LISTING RULES IMPLICATIONS

The Chearavanont Shareholders, on an aggregate basis, are directly and indirectly interested in approximately 70.86% of the total number of Ordinary Shares in issue as at the date of this announcement. CPG is owned as to 51.31% by the Chearavanont Shareholders. The Vendor is a direct wholly-owned subsidiary of CPG and is hence a connected person of the Company within the meaning of the Listing Rules.

Accordingly, the Acquisition and the related issue of the New Ordinary Shares and New Convertible Preference Shares by the Company to the Vendor constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

Based on the relevant percentage ratio(s), the Acquisition also constitutes a major transaction for the Company under Chapter 14 of the Listing Rules.

The Acquisition is subject to the Independent Shareholders' approval requirements and the Company is required to provide to the Shareholders the recommendation of the Independent Board Committee and the fairness opinion of an independent financial adviser under the Listing Rules. Approval of the Independent Shareholders is proposed to be sought at the SGM in respect of the Acquisition and the transactions contemplated thereunder, including the allotment and issue of the New Ordinary Shares, the New Convertible Preference Shares and the CPS Conversion Shares issuable upon conversion of the New Convertible Preference Shares.

Pursuant to Rule 14A.18 and Rule 14.46 of the Listing Rules, the Chearavanont Shareholders and their respective associates, who control or are entitled to control the voting right in respect of an aggregate 10,620,926,534 Ordinary Shares, representing approximately 70.86% of the total number of Ordinary Shares in issue as at the date of this announcement, will abstain from voting at the SGM with respect to the Acquisition and the transactions contemplated thereunder, including the allotment and issue of the New Ordinary Shares, the New Convertible Preference Shares and the CPS Conversion Shares issuable upon conversion of the New Convertible Preference Shares.

OSIL beneficially owns approximately 60.94% of the Ordinary Shares in issue as at the date of this announcement. CPT is a wholly-owned subsidiary of C.P. Intertrade Co., Ltd. which indirectly beneficially owns approximately 6.70% of the Shares in issue as at the date of this announcement. Each of C.P. Intertrade Co., Ltd. and CPG, of which OSIL is a wholly-owned subsidiary, is owned as to approximately 51.31% in the aggregate by the Chearavanont Shareholders. Hence, each of OSIL and CPT is a connected person of the Company within the meaning of the Listing Rules.

CPG is owned as to approximately 51.31% in the aggregate by the Chearavanont Shareholders. Hence, CPG is a connected person of the Company within the meaning of the Listing Rules.

Upon completion of the Acquisition, Modern State will be a wholly owned subsidiary of the Company, and CPVL (which is held by Modern State as to 70.82%) will be an indirect non-wholly owned subsidiary of the Company; and

The Chearavanont Shareholders are interested in more than 30% of the issued share capital of Charoen Pokphand Foods PCL ("**CPF**"). CPF, through its subsidiary Bangkok Food Products Co., Ltd. ("**BFP**"), is entitled to exercise 29.18% of the voting rights in the general meeting of CPVL.

Accordingly, upon completion of the Acquisition, CPVL will be a non-wholly owned subsidiary of the Company in which CPF (being an associate of the Chearavanont Shareholders and therefore a connected person of the Company other than at the level of the Company's subsidiaries) will be able to exercise more than 10% of the voting rights in the general meeting. Hence, CPVL is a connected person of the Company within the meaning of the Listing Rules.

The transactions under the Discloseable CCT Agreements and the Revised CCT Agreements therefore constitute continuing connected transactions of the Company under the Listing Rules. Taking into account the annual caps of the respective transactions under the Discloseable CCT Agreements, the respective transactions contemplated under the Discloseable CCT Agreements will constitute continuing connected transactions for the Company exempt from the independent shareholders' approval requirement under Rule 14A.34 of the Listing Rules. Taking into account the annual caps of the respective transactions under the Revised CCT Agreements, the respective transactions contemplated under the Revised CCT Agreements will constitute non-exempt continuing connected transactions for the Company under Rule 14A.35 of the Listing Rules and will be subject to Independent Shareholders' approval at the SGM. The Company is required to provide to the Shareholders the recommendations of the Independent Board Committee and the fairness opinion of an independent financial adviser in that connection. Pursuant to Rule 14A.18 of the Listing Rules, the Chearavanont Shareholders and their respective associates who control or are entitled to control the voting rights in respect of an aggregate of 10,620,926,534 Ordinary Shares, representing approximately 70.86% of the total number of Ordinary Shares in issue as at the date of this announcement, will abstain from voting at the SGM with respect to the Revised CCT Agreements and the Continuing Connected Transactions.

In accordance with applicable requirements under the Listing Rules, the vote to be taken at the SGM in relation to the respective resolutions relating to the Acquisition, the Revised CCT Agreements and the transactions contemplated thereunder will be conducted by poll.

G. SPECIAL GENERAL MEETING

The SGM will be convened as soon as practicable at which resolutions will be proposed to approve the Acquisition, the Revised CCT Agreements and the Continuing Connected Transactions (including the proposed annual caps), and the ancillary transactions contemplated thereunder. The Chearavanont Shareholders and their respective associates will abstain from voting at the SGM in respect of the resolutions on these matters.

H. GENERAL

The Independent Board Committee of the Company has been established to consider the terms of the Acquisition, the Revised CCT Agreements and the Continuing Connected Transactions and to advise and make recommendation to the Independent Shareholders as to how to vote at the SGM on the resolutions regarding the aforesaid. Mr. Ma Chiu Cheung, Andrew, Mr. Sombat Deo-isres and Mr. Sakda Thanitcul have been appointed by the Board to serve as members of the Independent Board Committee.

CIMB Securities (HK) Limited has been appointed to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the transactions contemplated in the Acquisition, the Revised CCT Agreements and the Continuing Connected Transactions.

A circular containing, among other things, (i) further information on the Acquisition, the Revised CCT Agreements and the Continuing Connected Transactions; (ii) a letter from the independent financial adviser containing its advice to the Independent Board Committee on the Acquisition, the Revised CCT Agreements and the Continuing Connected Transactions; (iii) the recommendation of the Independent Board Committee to the Independent Shareholders; and (iv) a notice convening the SGM is expected to be dispatched to Shareholders on or before 21 June 2011 in accordance with the Listing Rules.

The Acquisition is conditional upon Independent Shareholders' approval of the Revised CCT Agreements and the Continuing Connected Transactions. The Acquisition is conditional on each of the proposed increase in authorised share capital of the Company and the proposed amendments to the Bye-laws being approved by the Shareholders, but not vice versa.

Completion of the Acquisition is subject to various conditions and may or may not proceed to completion. Shareholders and potential investors in the Company should exercise caution when dealing in the CPP Shares.

DEFINITIONS

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

"Acquisition"	the proposed acquisition of the entire interest in Modern State by the Company
"Acquisition Agreement"	the agreement dated 30 May 2011 entered into between CPG Overseas Company Limited and the Company in relation to the Acquisition
"Audited 2010 Technical Service Fee Adjustment"	the amount of technical service fee that would have been received by Modern State had the MS Technical Assistance Services Agreement been entered into and effective on 1 January 2010, being 1.5% of the net sales value of the products manufactured, produced and/or sold by CPVL less applicable withholding tax thereon chargeable in Vietnam
"Bye-laws"	the bye-laws of the Company for the time being

"associate(s)"	has the meaning ascribed to this term in the Listing Rules
"Board"	the board of Directors
"Chearavanont Shareholders"	four members of the Chearavanont family, namely Mr. Jaran Chiaravanont, Mr. Montri Jiaravanont, Mr. Sumet Jiaravanon and Mr. Dhanin Chearavanont who, on an aggregate basis, are directly and indirectly interested in approximately 70.86% of the issued share capital of the Company
"Completion"	completion of the Acquisition by the Company
"Consideration"	the total consideration payable by the Company for the Acquisition
"Continuing Connected Transactions"	the continuing connected transactions under the Revised CCT Agreements
"Company" or "CPP"	C.P. POKPHAND CO. LTD., an exempted company incorporated in Bermuda whose Ordinary Shares are listed and traded on the Main Board of the Stock Exchange under stock code 43
"Convertible Preference Shares"	the Existing Convertible Preference Shares and/or (where the context requires) the New Convertible Preference Shares
"CPG"	Charoen Pokphand Group Company Limited, a company organized and existing under the laws of the Kingdom of Thailand and owned as to 51.31% by the Chearavanont Shareholders
"CPG Technical Assistance Services Agreement"	the Technical Assistance Services Agreement dated 19 August 2009 made between CPG and CPVL, as amended by an Addendum dated 1 January 2011 and as further amended by a Second Addendum dated 30 May 2011, relating to the provision by CPG of certain services to CPVL
"CPP Group"	the Company and its subsidiaries from time to time
"CPP Purchase Products"	the products to be purchased by the CPP Group from CPT and/or its related entities under the Revised Master CPP Purchase Agreement

"CPP Share(s)"	shares in the capital of the Company, comprising at the date of this announcement, Ordinary Shares and Existing Convertible Preference Shares
"CPP Supply Products"	the products to be supplied by the CPP Group to OSIL and/or its related entities under the Revised Master CPP Supply Agreement
"CPS Conversion Shares"	the Ordinary Shares to be issued by the Company upon the conversion of the New Convertible Preference Shares which shall rank pari passu with the other existing Ordinary Shares
"CPT"	C.P. Trading Co., Ltd., a company incorporated in the British Virgin Islands with limited liability
"CPVL"	C.P. Vietnam Livestock Corporation, a joint stock company incorporated in Vietnam and held as to 70.82% by Modern State
"Directors"	the directors of the Company
"Discloseable CCT Agreements"	the CPG Technical Assistance Services Agreement and the MS Technical Assistance Services Agreement
"Existing Convertible Preference Shares"	the convertible preference shares of US$0.01 each in the existing capital of the company (which shall be re-designated as "Series A Convertible Preference Shares" upon the passing of the relevant resolution at the SGM)
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"IFRS"	International Financial Reporting Standards issued by the International Accounting Standards Board
"Independent Board Committee"	the independent committee of the Board comprising the Company's independent non-executive Directors, Mr. Ma Chiu Cheung, Andrew, Mr. Sombat Deo-isres and Mr. Sakda Thanitcul, which has been established to advise the Independent Shareholders in respect of the Acquisition and Continuing Connected Transactions

"Independent Shareholder(s)"	Shareholder(s) other than the Chearavanont Shareholders and their respective associates
"Issue Price"	means, in respect of each Series A Convertible Preference Share, HK$0.3255, and in respect of each Series B Convertible Preference Share, HK$0.9000
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Master CPP Purchase Agreement"	the agreement dated 18 October 2010 made between CPP as purchaser and CPT as supplier for the purchase of certain products by the CPP Group
"Master CPP Supply Agreement"	the agreement dated 18 October 2010 made between CPP as supplier and OSIL as purchaser for the supply of certain products by the CPP Group
"Modern State"	Modern State Investments Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of CPG holding 70.82% of the issued share capital of CPVL
"MS Technical Assistance Services Agreement"	the Technical Assistance Services Agreement dated 1 January 2011 made between Modern State and CPVL, as amended by an Addendum dated 30 May 2011, relating to the provision by Modern State of certain services to CPVL
"New Convertible Preference Shares"	the Series B Convertible Preference Shares of US$0.01 each in the capital of the Company to be allotted and issued, credited as fully paid, in satisfaction of part of the Consideration in accordance with the terms and conditions of the Acquisition Agreement
"New Ordinary Shares"	the 2,000,000,000 new Ordinary Shares to be allotted and issued, credited as fully paid, by the Company to satisfy part of the Consideration
"Option Agreement"	the option agreement dated 21 January 2011, entered into between CPG and the Company in relation to the option granted by CPG to the Company to require CPG to sell or procure the sale of an aggregate of 70.82% of the total issued share capital of CPVL

"Ordinary Share(s)"	ordinary share(s) of US$0.01 each in the share capital of the Company
"OSIL"	Orient Success International Limited, a company incorporated in the British Virgin Islands with limited liability
"PRC"	the People's Republic of China excluding for the purpose of this announcement, Hong Kong and Macau Special Administrative Region
"Public Float Requirement"	the requirement under the Listing Rules applicable to the Company that not less than a specified percentage of the Ordinary Shares which are listed on the Stock Exchange shall be held by the public for the purpose of the Listing Rules
"Revised CCT Agreements"	the Revised Master CPP Supply Agreement and the Revised Master CPP Purchase Agreement
"Revised Master CPP Purchase Agreement"	the agreement dated 30 May 2011 made between CPP as purchaser and CPT as supplier for the purchase from CPT and/or any of its related entities raw materials, machinery and equipment, promotional products, breed and farm livestock and aqua stock, meats and other items required for the production and sale of animal and aqua feed products, farm and food products and chlortetracycline products by the CPP Group which the CPP Group may require in the normal course of business and which CPT and/or any of its related entities may be able to supply
"Revised Master CPP Supply Agreement"	the agreement dated 30 May 2011 made between CPP as supplier and OSIL as purchaser for the supply of feed-related, farm-related and food-related products produced or procured by the CPP Group to any related entity designated by OSIL, which may be required by such entity and which the CPP Group may be able to supply
"Shareholder(s)"	holder(s) of Ordinary Shares from time to time

"SGM"	a special general meeting of the Company to be held to consider and, if thought fit, approve, among other things, the Acquisition and the transactions contemplated thereunder, and the Continuing Connected Transactions
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Group"	Modern State and CPVL
"Trading Day(s)"	means any day(s) on which the Stock Exchange is open for the business of dealing in securities
"US$"	United States dollars, the lawful currency of the Untied States of America
"Vendor"	CPG Overseas Company Limited, a company incorporated under the laws of Hong Kong which is a direct wholly owned subsidiary of CPG

Hong Kong, 30 May 2011

By Order of the Board
Robert Ping-Hsien Ho
Director

Note: For the purpose of this announcement, the following exchange rate has in general been used for the conversion of US$ into Hong Kong dollars for indication only:

US$1.00 = HK$7.8

As at the date of this announcement, the Board comprises eight executive Directors, namely, Mr. Dhanin Chearavanont, Mr. Thanakorn Seriburi, Mr. Soopakij Chearavanont, Mr. Anan Athigapanich, Mr. Damrongdej Chalongphuntarat, Mr. Bai Shanlin, Mr. Suphachai Chearavanont and Mr. Robert Ping-Hsien Ho, two non-executive Directors, namely Mr. Meth Jiaravanont and Mr. Patrick Thomas Siewert (Mr. Poon Yee Man Alwin as alternate Director), and three independent non-executive Directors, namely, Mr. Ma Chiu Cheung, Andrew, Mr. Sombat Deo-isres and Mr. Sakda Thanitcul.