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C.P. POKPHAND CO. LTD.

(Incorporated in Bermuda with limited liability)

(Stock Code: 43)

CONNECTED TRANSACTIONS IN RELATION TO THE CONSTRUCTION PROJECT MANAGEMENT CONTRACTS

The Board hereby announces that on 6 August 2013, Chia Tai Food (Qinhuangdao) and Chia Tai Food (Qingdao), both wholly-owned subsidiaries of the Company, entered into the Qinhuangdao Construction Project Management Contract and the Qingdao Construction Project Management Contract to appoint Chia Tai Land as construction project manager for the construction works, equipment installation and fitting out at the respective plants of Chia Tai Food (Qinhuangdao) and Chia Tai Food (Qingdao) in the PRC. The maximum project management fees payable to Chia Tai Land by Chia Tai Food (Qinhuangdao) and Chia Tai Food (Qingdao) under the respective contracts shall not exceed RMB56,097,000 (approximately US\$9.1 million) and RMB34,051,500 (approximately US\$5.5 million) respectively.

CPF is interested in approximately 71.3% of the Shares in issue and approximately 45.1% of CPF's issued share capital is held by CPG as at the date of this announcement. Due to CPG's near majority shareholding in CPF, the Company and CPG have agreed to treat CPG and its direct and indirect subsidiaries as connected persons of the Company within the meaning of the Listing Rules. As Chia Tai Land is an indirect subsidiary of CPG, the transaction contemplated under each of the Qinhuangdao Construction Project Management Contract and the Qingdao Construction Project Management Contract is treated as if it was a connected transaction for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Qinhuangdao Construction Project Management Contract and the Qingdao Construction Project Management Contract in aggregate are more than 0.1% but less than 5%, the transactions are reported and announced under the provisions of Rule 14A.32 of the Listing Rules as if the same were to be applicable.

CONSTRUCTION PROJECT MANAGEMENT CONTRACTS

On 6 August 2013, Chia Tai Food (Qinhuangdao) and Chia Tai Food (Qingdao), both wholly-owned subsidiaries of the Company, entered into the Qinhuangdao Construction Project Management Contract and the Qingdao Construction Project Management Contract to appoint Chia Tai Land as construction project manager for the construction works, equipment installation and fitting out at the respective plants of Chia Tai Food (Qinhuangdao) and Chia Tai Food (Qingdao) in the PRC.

The major terms of each of the Qinhuangdao Construction Project Management Contract and the Qingdao Construction Project Management Contract are set out below:

(a) Qinhuangdao Construction Project Management Contract

Date : 6 August 2013

Parties : (i) Chia Tai Food (Qinhuangdao), as appointer; and
(ii) Chia Tai Land, as construction project manager

(b) Qingdao Construction Project Management Contract

Date : 6 August 2013

Parties : (i) Chia Tai Food (Qingdao), as appointer; and
(ii) Chia Tai Land, as construction project manager

Consideration and payment:

The project management fees payable to Chia Tai Land by Chia Tai Food (Qinhuangdao) and Chia Tai Food (Qingdao) will be calculated based on 3% of the total construction cost of the production facilities of Chia Tai Food (Qinhuangdao) and Chia Tai Food (Qingdao) but subject to a maximum amount which is equal to 3% of the total construction cost plus a 15% contingency amount. Based on the estimated construction cost of the production facilities of Chia Tai Food (Qinhuangdao) and Chia Tai Food (Qingdao), which is RMB1,626 million (approximately US\$264.4 million) and RMB987 million (approximately US\$160.5 million) respectively, the maximum project management fees payable to Chia Tai Land by Chia Tai Food (Qinhuangdao) and Chia Tai Food (Qingdao) under the respective contracts shall not exceed RMB56,097,000 (approximately US\$9.1 million) and RMB34,051,500 (approximately US\$5.5 million) respectively.

The consideration under the Qinhuangdao Construction Project Management Contract and the Qingdao Construction Project Management Contract was determined after arm's length negotiations between the parties by reference to, among other things, the specificities of the projects and the construction project management fees charged by independent third parties for similar projects, which the Directors believe to be comparable to market price. The consideration under the Qinhuangdao Construction Project Management Contract and the Qingdao Construction Project Management Contract will be paid in cash by Chia Tai Food (Qinhuangdao) and Chia Tai Food (Qingdao) according to the construction progress at the relevant plant and will be funded by the Group's own financial resources.

REASONS FOR AND BENEFITS OF THE QINHUANGDAO CONSTRUCTION PROJECT MANAGEMENT CONTRACT AND THE QINGDAO CONSTRUCTION PROJECT MANAGEMENT CONTRACT

Each of Chia Tai Food (Qinhuangdao) and Chia Tai Food (Qingdao) had been established to be principally engaged in the production and sale of value-added processed food in the PRC. The Company notes that it is a common practice that an experienced construction project manager be engaged to manage and supervise projects of such nature, covering the construction works, equipment installation and fitting out of the plant, etc. Chia Tai Land is principally engaged in land development, commercial property development, project development, construction advisory and project management in the PRC. The purpose of entering into the Qinhuangdao Construction Project Management Contract and the Qingdao Construction Project Management Contract is to leverage on the expertise of Chia Tai Land to help Chia Tai Food (Qinhuangdao) and Chia Tai Food (Qingdao) to build state-of-the-art food processing facilities for their ordinary business operations.

The Directors (including the independent non-executive Directors) believe that the terms of each of the Qinhuangdao Construction Project Management Contract and the Qingdao Construction Project Management Contract are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

As Mr. Dhanin Chearavanont (chairman and executive director of the Company) together with other members of Chearavanont Shareholders has a controlling interest in CPG which is the ultimate parent company of Chia Tai Land, Mr. Thanakorn Seriburi and Mr. Soopakiji Chearavanont (both vice chairmen and executive directors of the Company), Mrs. Arunee Watcharananan (executive director of the Company) and Mr. Meth Jiaravanont (non-executive director of the Company) have directorship in Chia Tai Land and/or its intermediate holding companies, the Board considers that Mr. Dhanin Chearavanont, Mr. Thanakorn Seriburi, Mr. Soopakiji Chearavanont, Mrs. Arunee Watcharananan and Mr. Meth Jiaravanont have a material interest in the transactions contemplated under the Qinhuangdao Construction Project Management Contract and the Qingdao Construction Project Management Contract. Accordingly, Mr. Dhanin Chearavanont, Mr. Thanakorn Seriburi, Mr. Soopakiji Chearavanont, Mrs. Arunee Watcharananan and Mr. Meth Jiaravanont abstained from voting on the resolutions tabled at the relevant board meeting of the Company convened to consider the respective contracts. Other than Mr. Dhanin Chearavanont, Mr. Thanakorn Seriburi, Mr. Soopakiji Chearavanont, Mrs. Arunee Watcharananan and Mr. Meth Jiaravanont, no other Director has a material interest in the transactions contemplated under the Qinhuangdao Construction Project Management Contract and the Qingdao Construction Project Management Contract, and hence no other Director abstained from voting on the board resolutions approving the Qinhuangdao Construction Project Management Contract and the Qingdao Construction Project Management Contract.

INFORMATION ON PARTIES

The Group is principally engaged in the manufacture and sale of animal feed products in the PRC and Vietnam; breeding, farming and sale of livestock and aquatic animals and the manufacture and sale of value-added processed food products in Vietnam. Additionally, the Group is involved in various other relatively smaller businesses, including the manufacture and sale of chlortetracycline products, the manufacture and sale of motorcycles and automotive parts and trading of machinery.

Chia Tai Food (Qinhuangdao) and Chia Tai Food (Qingdao) are subsidiaries in the Group to be principally engaged in the production and sale of value-added processed food in the PRC.

Chia Tai Land was incorporated in the PRC in 2003, is an indirect subsidiary of CPG and is principally engaged in land development, commercial property development, project development, construction advisory and project management in the PRC.

LISTING RULES IMPLICATIONS

CPF is interested in approximately 71.3% of the Shares in issue and approximately 45.1% of CPF's issued share capital is held by CPG as at the date of this announcement. Due to CPG's near majority shareholding in CPF, the Company and CPG have agreed to treat CPG and its direct and indirect subsidiaries as connected persons of the Company within the meaning of the Listing Rules. As Chia Tai Land is an indirect subsidiary of CPG, the transaction contemplated under each of the Qinhuangdao Construction Project Management Contract and the Qingdao Construction Project Management Contract is treated as if it was a connected transaction for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Qinhuangdao Construction Project Management Contract and the Qingdao Construction Project Management Contract in aggregate are more than 0.1% but less than 5%, the transactions are reported and announced under the provisions of Rule 14A.32 of the Listing Rules as if the same were to be applicable.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“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 71.3% of the Shares in issue
“Chia Tai Food (Qinhuangdao)”	正大食品企業（秦皇島）有限公司 (Chia Tai Food Enterprise (Qinhuangdao) Co., Ltd.), a limited liability company incorporated in the PRC to engage in the production and sale of value-added processed food
“Chia Tai Food (Qingdao)”	正大食品企業（青島）有限公司 (Chia Tai Food Enterprise (Qingdao) Co., Ltd.), a limited liability company incorporated in the PRC to engage in the production and sale of value-added processed food
“Chia Tai Land”	Chia Tai Land Co., Ltd., a 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
“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 and owned as to 51.31% by the Chearavanont Shareholders
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, excluding for this purpose Hong Kong, Macau Special Administrative Region and Taiwan
“Qinhuangdao Construction Project Management Contract”	the construction project management contract entered into between Chia Tai Food (Qinhuangdao) and Chia Tai Land, whereby Chia Tai Land was appointed as construction project manager to supervise the construction works, equipment installation and fitting out at the plant of Chia Tai Food (Qinhuangdao) in the PRC
“Qingdao Construction Project Management Contract”	the construction project management contract entered into between Chia Tai Food (Qingdao) and Chia Tai Land, whereby Chia Tai Land was appointed as construction project manager to supervise the construction works, equipment installation and fitting out at the plant of Chia Tai Food (Qingdao) in the PRC

“RMB”	Renminbi, the lawful currency of the PRC
“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
“US\$”	United States dollars, the lawful currency of the United States of America

By Order of the Board
Arunee Watcharananan
Director

Hong Kong, 6 August 2013

Note: For the purpose of this announcement, the exchange rate for the conversion of RMB into US\$ for indication only is: US\$1.0 = RMB6.15.

As at the date of this announcement, the Board comprises nine executive directors, namely, Mr. Dhanin Chearavanont, Mr. Adirek Sripratak, Mr. Thanakorn Seriburi, Mr. Soopakij Chearavanont, Mr. Bai Shanlin, Mr. Sooksunt Jiumjaiswanglerg, Mr. Anan Athigapanich, Mr. Suphachai Chearavanont and Mrs. Arunee Watcharananan; one non-executive director, namely, Mr. Meth Jiaravanont; and four independent non-executive directors, namely, Mr. Ma Chiu Cheung, Andrew, Mr. Sombat Deo-isres, Mr. Sakda Thanitcul and Mr. Vinai Vittavasgarnvej.