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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 CONSTRUCTION PROJECT MANAGEMENT CONTRACTS

On 1 December 2014, CP Food Xiangyang, an indirect wholly-owned subsidiary of the Company, entered into the Xiangyang Construction Project Management Contract to appoint Chia Tai Handing as construction project manager for the construction works, equipment installation and fitting out at the plant of CP Food Xiangyang in the PRC.

On 18 February 2015:

- (a) CP Food Zhanjiang, an indirect wholly-owned subsidiary of the Company, entered into the Zhanjiang Construction Project Management Contract to appoint Chia Tai Handing as construction project manager for the construction works, equipment installation and fitting out at the plant of CP Food Zhanjiang in the PRC;
- (b) CP Food Xuzhou, an indirect wholly-owned subsidiary of the Company, entered into the Xuzhou Construction Project Management Contract to appoint Chia Tai Handing as construction project manager for the construction works, equipment installation and fitting out at the plant of CP Food Xuzhou in the PRC; and
- (c) Jilin Chia Tai Food, an indirect wholly-owned subsidiary of the Company, entered into the Jilin Construction Project Management Contract to appoint Chia Tai Land as construction project manager for the construction works, equipment installation and fitting out at the plant of Jilin Chia Tai Food in the PRC.

The project management fee payable under each of the Construction Project Management Contracts shall be 3% of the total construction cost of the production facilities at the relevant plants. Accordingly:

- (i) the project management fee payable to Chia Tai Handing by CP Food Xiangyang under the Xiangyang Construction Project Management Contract was estimated to be about RMB13,500,000 (approximately US\$2.2 million);
- (ii) the project management fee payable to Chia Tai Handing by CP Food Zhanjiang under the Zhanjiang Construction Project Management Contract is estimated to be about RMB3,600,000 (approximately US\$0.6 million);

- (iii) the project management fee payable to Chia Tai Handing by CP Food Xuzhou under the Xuzhou Construction Project Management Contract is estimated to be about RMB12,000,000 (approximately US\$1.9 million); and
- (iv) the project management fee payable to Chia Tai Land by Jilin Chia Tai Food under the Jilin Construction Project Management Contract is estimated to be about RMB26,370,000 (approximately US\$4.2 million).

LISTING RULES IMPLICATIONS

As at the date of this announcement, CPF is interested in approximately 47.8% of the Shares in issue and approximately 39.5% of CPF's issued share capital is held by CPG. 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 Handing and Chia Tai Land are indirect subsidiaries of CPG, the transaction contemplated under each of the Construction Project Management Contracts 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 Xiangyang Construction Project Management Contract are less than 0.1%, the transaction under the Xiangyang Construction Project Management Contract, on a stand-alone basis, was exempt from the reporting, announcement, circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since three of the Construction Project Management Contracts were entered into by the Group with the same party and the other Construction Project Management Contract was entered into by the Group with another party which is connected or otherwise associated with that party, the Company has aggregated these transactions and treated them as if they were one transaction. As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transactions under the Construction Project Management Contracts in aggregate are more than 0.1% but less than 5%, the transactions are subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules which are treated as if the same were applicable.

THE CONSTRUCTION PROJECT MANAGEMENT CONTRACTS

On 1 December 2014, CP Food Xiangyang, an indirect wholly-owned subsidiary of the Company, entered into the Xiangyang Construction Project Management Contract to appoint Chia Tai Handing as construction project manager for the construction works, equipment installation and fitting out at the plant of CP Food Xiangyang in the PRC.

On 18 February 2015:

- (a) CP Food Zhanjiang, an indirect wholly-owned subsidiary of the Company, entered into the Zhanjiang Construction Project Management Contract to appoint Chia Tai Handing as construction project manager for the construction works, equipment installation and fitting out at the plant of CP Food Zhanjiang in the PRC;

- (b) CP Food Xuzhou, an indirect wholly-owned subsidiary of the Company, entered into the Xuzhou Construction Project Management Contract to appoint Chia Tai Handing as construction project manager for the construction works, equipment installation and fitting out at the plant of CP Food Xuzhou in the PRC; and
- (c) Jilin Chia Tai Food, an indirect wholly-owned subsidiary of the Company, entered into the Jilin Construction Project Management Contract to appoint Chia Tai Land as construction project manager for the construction works, equipment installation and fitting out at the plant of Jilin Chia Tai Food in the PRC.

The major terms of each of the Construction Project Management Contracts are set out below:

Parties

(a) **Xiangyang Construction Project Management Contract**

Date : 1 December 2014

Parties : (i) CP Food Xiangyang, as appointer; and
(ii) Chia Tai Handing, as construction project manager

(b) **Zhanjiang Construction Project Management Contract**

Date : 18 February 2015

Parties : (i) CP Food Zhanjiang, as appointer; and
(ii) Chia Tai Handing, as construction project manager

(c) **Xuzhou Construction Project Management Contract**

Date : 18 February 2015

Parties : (i) CP Food Xuzhou, as appointer; and
(ii) Chia Tai Handing, as construction project manager

(d) **Jilin Construction Project Management Contract**

Date : 18 February 2015

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

Consideration and Payment:

The project management fee payable under each of the Construction Project Management Contracts shall be 3% of the total construction cost of the production facilities at the relevant plants. Accordingly:

- (i) the project management fee payable to Chia Tai Handing by CP Food Xiangyang under the Xiangyang Construction Project Management Contract was estimated to be about RMB13,500,000 (approximately US\$2.2 million);

- (ii) the project management fee payable to Chia Tai Handing by CP Food Zhanjiang under the Zhanjiang Construction Project Management Contract is estimated to be about RMB3,600,000 (approximately US\$0.6 million);
- (iii) the project management fee payable to Chia Tai Handing by CP Food Xuzhou under the Xuzhou Construction Project Management Contract is estimated to be about RMB12,000,000 (approximately US\$ 1.9 million); and
- (iv) the project management fee payable to Chia Tai Land by Jilin Chia Tai Food under the Jilin Construction Project Management Contract is estimated to be about RMB26,370,000 (approximately US\$4.2 million).

The project management fee payable under each of the Construction Project Management Contracts was determined after arm's length negotiations between the parties by reference to, among other things, the specificities of the relevant project and the 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 respective Construction Project Management Contracts will be paid in cash by CP Food Xiangyang, CP Food Zhanjiang, CP Food Xuzhou and Jilin Chia Tai Food respectively 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 CONSTRUCTION PROJECT MANAGEMENT CONTRACTS

Each of CP Food Xiangyang, CP Food Zhanjiang, CP Food Xuzhou and Jilin Chia Tai Food 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 Handing is principally engaged in construction management advisory and project management, construction technical advisory and investment advisory in the PRC and Chia Tai Land is principally engaged in land development, commercial property development, project development, construction management advisory and project management in the PRC.

The purpose of entering into the Construction Project Management Contracts is to leverage on the expertise of Chia Tai Handing and Chia Tai Land to help each of CP Food Xiangyang, CP Food Zhanjiang, CP Food Xuzhou and Jilin Chia Tai Food to build state-of-the-art food processing facilities at their respective new plants for their ordinary business operations.

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

As (i) 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 each of Chia Tai Handing and Chia Tai Land, and (ii) Mr. Thanakorn Seriburi and Mr. Soopakij Chearavanont, both vice chairmen and executive directors of the Company, have directorship in Chia Tai Handing and Chia Tai Land and/or its intermediate holding companies, the Board considers that each of Mr. Dhanin Chearavanont, Mr. Thanakorn Seriburi and Mr. Soopakij Chearavanont has a material interest in the transactions

contemplated under the Construction Project Management Contracts. Accordingly, Mr. Dhanin Chearavanont, Mr. Thanakorn Seriburi and Mr. Soopakij Chearavanont abstained from voting on the respective resolutions tabled at the board meeting of the Company held to consider and ratify or approve the respective Construction Project Management Contracts. Other than Mr. Dhanin Chearavanont, Mr. Thanakorn Seriburi and Mr. Soopakij Chearavanont, no other Director has a material interest in the transactions contemplated under the Construction Project Management Contracts, and hence no other Director abstained from voting on the respective board resolutions approving the Construction Project Management Contracts.

INFORMATION ON PARTIES

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

CP Food Xiangyang, CP Food Zhanjiang, CP Food Xuzhou and Jilin Chia Tai Food are subsidiaries in the Group established to be principally engaged in the production and sale of value-added processed food in the PRC.

Chia Tai Handling was incorporated in the PRC in 2007, is an indirect subsidiary of CPG and is principally engaged in construction management advisory and project management, construction technical advisory and investment advisory 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 management advisory and project management in the PRC.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CPF is interested in approximately 47.8% of the Shares in issue and approximately 39.5% of CPF's issued share capital is held by CPG. 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 Handling and Chia Tai Land are indirect subsidiaries of CPG, the transaction contemplated under each of the Construction Project Management Contracts 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 transaction under the Xiangyang Construction Project Management Contract are less than 0.1%, the Xiangyang Construction Project Management Contract, on a stand-alone basis, is exempt from the reporting, announcement, circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since three of the Construction Project Management Contracts were entered into by the Group with the same party and the other Construction Project Management Contract was entered into by the Group with another party which is connected or otherwise associated with that party, the Company has aggregated these transactions and treated them as if they were one transaction. As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the

transactions under the Construction Project Management Contracts in aggregate are more than 0.1% but less than 5%, the transactions are subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules which are treated as if the same were 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 interested in approximately 51.3% of CPG
“Chia Tai Handing”	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
“Chia Tai Land”	正大置地有限公司 (Chia Tai Land 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
“Construction Project Management Contracts”	the Xiangyang Construction Project Management Contract, the Zhanjiang Construction Project Management Contract, the Xuzhou Construction Project Management Contract and the Jilin Construction Project Management Contract collectively
“CP Food Xiangyang”	C.P. Food (Xiangyang) Co., Ltd., a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“CP Food Xuzhou”	C.P. Food (Xuzhou) Co., Ltd., a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“CP Food Zhanjiang”	C.P. Food (Zhanjiang) Co., Ltd., a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company

“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 51.3% 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
“Jilin Chia Tai Food”	Jilin Chia Tai Food Co., Ltd., a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“Jilin Construction Project Management Contract”	the construction project management contract entered into between Jilin Chia Tai Food 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 Jilin Chia Tai Food in 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
“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

“Xiangyang Construction Project Management Contract”	the construction project management contract entered into between CP Food Xiangyang and Chia Tai Handing, whereby Chia Tai Handing was appointed as construction project manager to supervise the construction works, equipment installation and fitting out at the plant of CP Food Xiangyang in the PRC
“Xuzhou Construction Project Management Contract”	the construction project management contract entered into between CP Food Xuzhou and Chia Tai Handing, whereby Chia Tai Handing was appointed as construction project manager to supervise the construction works, equipment installation and fitting out at the plant of CP Food Xuzhou in the PRC
“Zhanjiang Construction Project Management Contract”	the construction project management contract entered into between CP Food Zhanjiang and Chia Tai Handing, whereby Chia Tai Handing was appointed as construction project manager to supervise the construction works, equipment installation and fitting out at the plant of CP Food Zhanjiang in the PRC

By Order of the Board
Arunee Watcharananan
Director

Hong Kong, 18 February 2015

Note: For the purpose of this announcement, the exchange rate for the conversion of RMB into US\$ for indication only is: US\$1.0 = RMB6.25.

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 five independent non-executive directors, namely, Mr. Ma Chiu Cheung, Andrew, Mr. Sombat Deo-isres, Mr. Sakda Thanitcul, Mr. Vinai Vittavasgarnvej and Mrs. Vatchari Vimooktayon.