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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **C.P. POKPHAND CO. LTD.**, you should at once hand this circular, together with the accompanying proxy form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**C.P. POKPHAND CO. LTD.**

(Incorporated in Bermuda with limited liability)

(Stock Code: 43)

**DISCLOSEABLE AND
CONNECTED TRANSACTIONS
AND
NOTICE OF SPECIAL GENERAL MEETING**

Independent Financial Adviser to the Independent Board Committee and Independent Shareholders



A letter from the Board is set out on pages 4 to 12 of this circular. A letter from the Independent Board Committee and a letter from the Independent Financial Adviser, CMBI, containing its advice to the Independent Board Committee and the Independent Shareholders, are set out on page 13 and pages 14 to 27 of this circular respectively.

A notice convening the special general meeting of C.P. POKPHAND CO. LTD. to be held at Suites 6411-6416, 64th Floor, Two International Finance Centre, 8 Finance Street, Hong Kong on Tuesday, 8 July 2014 at 3:00 p.m., is set out on pages 32 to 33 of this circular.

Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying proxy form in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the said meeting or any adjourned meeting should you so wish.

19 June 2014

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires or otherwise defined:

“Acquisition”	the acquisition of 100% equity interest in Kaifeng Chia Tai by Chia Tai Investment from Chia Tai China Agro under the Acquisition Agreement
“Acquisition Agreement”	the agreement dated 21 May 2014 entered into between Chia Tai Investment and Chia Tai China Agro in relation to the Acquisition
“Acquisition Completion”	completion of the Acquisition under the Acquisition Agreement
“Acquisition Consideration”	the total consideration payable by Chia Tai Investment for the Acquisition
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“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 China Agro”	Chia Tai (China) Agro-Industrial Ltd., a company organised and existing under the laws of Bermuda and an indirect subsidiary of Thana Holding
“Chia Tai Investment”	正大(中國)投資有限公司 (Chia Tai (China) Investment Co., Ltd.), a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“CMBI” or “Independent Financial Adviser”	CMB International Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Acquisition Agreement and the Disposal Agreement
“Company” or “CPP”	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

DEFINITIONS

“CPG”	Charoen Pokphand Group Company Limited, a company organised and existing under the laws of the Kingdom of Thailand and owned as to approximately 51.3% by the Chearavanont Shareholders
“CT Bright”	CT Bright Holdings Limited, a company incorporated in the British Virgin Islands and an indirect subsidiary of CPG
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of 100% issued share capital in Rapid Thrive by CPP to CT Bright under the Disposal Agreement
“Disposal Agreement”	the agreement dated 21 May 2014 entered into between CPP and CT Bright in relation to the Disposal
“Disposal Completion”	completion of the Disposal under the Disposal Agreement
“Disposal Consideration”	the total consideration payable by CT Bright for the Disposal
“Ek Chor Investment”	Ek Chor Investment Company Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of Rapid Thrive
“Group”	the Company and its subsidiaries from time to time
“Hefei Acquisition”	the acquisition of the entire equity interest in 合肥正大有限公司 (Hefei Chia Tai Co., Ltd.) by Chia Tai Investment from Chia Tai China Agro at a consideration of RMB220 million (approximately US\$35.2 million) under the Hefei Acquisition Agreement
“Hefei Acquisition Agreement”	the agreement dated 24 February 2014 entered into between Chia Tai Investment and Chia Tai China Agro for the Hefei Acquisition
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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, Mr. Sakda Thanitcul, Mr. Vinai Vittavasarnevej and Mrs. Vatchari Vimooktayon, which has been established to advise the Independent Shareholders in respect of the Acquisition and the Disposal

DEFINITIONS

“Independent Shareholders”	Shareholders other than the Chearavanont Shareholders and their respective associates
“Kaifeng Chia Tai”	開封正大有限公司 (Kaifeng Chia Tai Co., Ltd.), a limited liability company incorporated in the PRC and is principally engaged in the manufacture and sale of animal feed products
“Latest Practicable Date”	16 June 2014, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China excluding for the purpose of this circular, Hong Kong, the Macau Special Administrative Region and Taiwan
“Rapid Thrive”	Rapid Thrive Limited, a limited company incorporated in the British Virgin Islands and a direct wholly owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented 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 Agreement and the Disposal Agreement
“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
“Thana Holding”	Thana Holding 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
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	percentage

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

LETTER FROM THE BOARD



C.P. POKPHAND CO. LTD.

(Incorporated in Bermuda with limited liability)

(Stock Code: 43)

Executive Directors:

Mr. Dhanin Chearavanont (*Chairman*)

Mr. Adirek Sripratak

Mr. Thanakorn Seriburi

Mr. Soopakij Chearavanont

Mr. Bai Shanlin

Mr. Sooksunt Jiumjaiswanglerg

Mr. Anan Athigapanich

Mr. Suphachai Chearavanont

Mrs. Arunee Watcharananan

Non-executive Director:

Mr. Meth Jiaravanont

Independent non-executive Directors:

Mr. Ma Chiu Cheung, Andrew

Mr. Sombat Deo-isres

Mr. Sakda Thanitcul

Mr. Vinai Vittavasgarnvej

Mrs. Vatchari Vimooktayon

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

Principal place of business in

Hong Kong:

21st Floor

Far East Finance Centre

16 Harcourt Road

Hong Kong

19 June 2014

To the Shareholders

Dear Sirs,

**DISCLOSEABLE AND
CONNECTED TRANSACTIONS
AND
NOTICE OF SPECIAL GENERAL MEETING**

A. INTRODUCTION

Reference is made to the announcement of the Company dated 21 May 2014 in respect of, inter alia, the Acquisition and the Disposal.

The Independent Board Committee has been established to consider the terms of the Acquisition Agreement and the Disposal Agreement and to advise and make recommendation to the Independent Shareholders as to how to vote at the SGM on the resolutions regarding the approval of the Acquisition Agreement, the Disposal Agreement and the transactions contemplated thereunder.

LETTER FROM THE BOARD

CMBI has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Acquisition Agreement and the Disposal Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The purpose of this circular is to provide you with, among other things, (i) further information on the Acquisition and the Disposal; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iii) a letter from CMBI containing its advice to the Independent Board Committee and the Independent Shareholders on the Acquisition and the Disposal; and (iv) a notice convening the SGM.

B. THE ACQUISITION

On 21 May 2014, Chia Tai Investment, an indirect wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with Chia Tai China Agro, an indirect subsidiary of Thana Holding, pursuant to which Chia Tai Investment conditionally agreed to purchase the entire equity interest in Kaifeng Chia Tai at the Acquisition Consideration.

A summary of the major terms of the Acquisition Agreement is set out below:

Date : 21 May 2014

Parties : Chia Tai China Agro (as vendor); and
Chia Tai Investment (as purchaser)

Interest to be acquired

Pursuant to the Acquisition Agreement, Chia Tai China Agro conditionally agreed to transfer to Chia Tai Investment the entire equity interest in Kaifeng Chia Tai. Upon the Acquisition Completion, Kaifeng Chia Tai will become an indirect wholly-owned subsidiary of the Company.

The Acquisition Consideration and payment

The Acquisition Consideration is RMB311 million (equivalent to approximately US\$49.8 million), which will be paid in full by cash by Chia Tai Investment within six months from the date of the Acquisition Completion. The Acquisition Consideration will be funded by the Group's own financial resources.

The Acquisition Consideration was determined after arm's length negotiation between Chia Tai Investment and Chia Tai China Agro by reference to, amongst other things, the net profit after tax of Kaifeng Chia Tai for the year ended 31 December 2013 of RMB29.1 million and the implied price earnings ratio for the acquisition by the Group of a group of companies principally engaged in the feed business in China pursuant to an agreement made in December 2009. Details of the acquisition in 2009 were set out in an announcement and a circular issued by the Company on 11 December 2009 and 31 December 2009, respectively.

LETTER FROM THE BOARD

Based on the Acquisition Consideration of RMB311 million (equivalent to approximately US\$49.8 million), the implied price earnings ratio of the Acquisition is approximately 10.7 times, which is the same as the implied price earnings ratio for the acquisition in 2009 referred to above. Based on the market capitalisation of the Company as at the Latest Practicable Date and the profit attributable to shareholders of the Company for the year ended 31 December 2013, the price earnings ratio of the Company is 12.9. The implied price earnings ratio for the Acquisition represented by the Acquisition Consideration of 10.7 times is lower than that of the Company. In addition, based on information available to the Company (please refer to the letter from the Independent Financial Adviser on pages 14 to 27 of this circular), the Directors believe that the implied price earnings ratio for the Acquisition is also substantially lower than the price earnings ratios of many comparable companies, being companies listed on the Shanghai Stock Exchange or Shenzhen Stock Exchange which are principally engaged in the manufacture and sale of animal feed products.

The original investment cost of Kaifeng Chia Tai to Chia Tai China Agro was US\$10 million which was the registered capital of Kaifeng Chia Tai paid up by Chia Tai China Agro in 1985.

Conditions of the Acquisition Completion

The Acquisition Completion is conditional upon:

- (a) approval of the transactions under the Acquisition Agreement by the non-interested shareholders at a shareholders' meeting of CPF convened in compliance with the notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand; and
- (b) approval of the Acquisition Agreement and the transactions contemplated thereunder by the Independent Shareholders at the SGM convened in compliance with the Listing Rules.

If any of the above conditions specified in the Acquisition Agreement is not fulfilled on or before 31 December 2014 (or such later date as the parties may agree), the Acquisition Agreement will forthwith become null and void and cease to have any effect.

The Acquisition Completion

Subject to the fulfilment of the conditions stated above, the Acquisition Completion shall take place on the day on which Chia Tai Investment is registered as the sole shareholder of Kaifeng Chia Tai with the issuance of the business license of Kaifeng Chia Tai to Chia Tai Investment by the relevant PRC government authority.

C. THE DISPOSAL

On 21 May 2014, CPP entered into the Disposal Agreement with CT Bright, an indirect subsidiary of CPG, pursuant to which CPP conditionally agreed to dispose of the entire issued share capital in Rapid Thrive at the Disposal Consideration.

LETTER FROM THE BOARD

A summary of the major terms of the Disposal Agreement is set out below:

Date : 21 May 2014

Parties : CPP (as vendor); and

CT Bright (as purchaser)

Interest to be disposed of

Pursuant to the Disposal Agreement, CPP conditionally agreed to transfer to CT Bright the entire issued share capital in Rapid Thrive. Rapid Thrive is an investment holding company which holds 100% issued share capital in Ek Chor Investment. The principal activities of Ek Chor Investment are investment holding and, through its joint venture, engages in the manufacture and sale of motorcycles in the PRC. Upon the Disposal Completion, Rapid Thrive will cease to be a subsidiary of the Company and the Group will no longer be engaged in the manufacture and sale of motorcycles.

The Disposal Consideration and payment

The Disposal Consideration is US\$49.5 million which shall be satisfied in cash by CT Bright within six months from the date of the Disposal Completion.

The Disposal Consideration was arrived at after arm's length negotiations between CPP and CT Bright with reference to various factors, including the implied price earnings ratio of the Disposal, the net asset value of Ek Chor Investment, the amount due from Ek Chor Investment to the Group and the amount of reserves to be released upon completion of the Disposal. Based on the Disposal Consideration of US\$49.5 million and the consolidated profit after taxation of Ek Chor Investment for the year ended 31 December 2013 of approximately US\$2.9 million, the implied price earnings ratio of the Disposal is approximately 17.1 times. As at 30 April 2014, the consolidated net asset value of Ek Chor Investment was approximately US\$38.0 million, the amounts due from Ek Chor Investment to the Group was approximately US\$11.4 million and the amount of reserves to be released (assuming the Disposal had taken place on 30 April 2014) was approximately US\$8.2 million.

Conditions of the Disposal Completion

The Disposal Completion is conditional upon:

- (a) approval of the transactions under the Disposal Agreement by the non-interested shareholders at a shareholders' meeting of CPF convened in compliance with the notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand; and
- (b) approval of the Disposal Agreement and the transactions contemplated thereunder by the Independent Shareholders at the SGM convened in compliance with the Listing Rules.

LETTER FROM THE BOARD

If any of the above conditions specified in the Disposal Agreement is not fulfilled on or before 31 December 2014 (or such later date as the parties may agree), the Disposal Agreement will forthwith become null and void and cease to have any effect.

The Disposal Completion

Subject to the fulfilment of the conditions stated above, the Disposal Completion shall take place on the third business day following the day on which CT Bright is registered as the sole shareholder of Rapid Thrive.

D. INFORMATION ON THE PARTIES

The Group is principally engaged in the manufacture and sale of animal feed products and value-added processed food products in the PRC and Vietnam; and 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 motorcycles and automotive parts and trading of machinery.

The Acquisition

Chia Tai Investment is an investment holding company and is indirectly wholly-owned by the Company.

Chia Tai China Agro is an investment holding company and indirectly owned by Thana Holding, which is in turn owned as to approximately 51.3% by the Chearavanont Shareholders in aggregate.

Kaifeng Chia Tai is principally engaged in the manufacture and sale of animal feed products. Kaifeng Chia Tai was incorporated in 1985 and the registered capital of Kaifeng Chia Tai was US\$10 million.

Based on Kaifeng Chia Tai's audited accounts for each of the two financial years ended 31 December 2013 prepared in accordance with PRC generally accepted accounting principles, the audited profit of Kaifeng Chia Tai was as follows:

	Financial year ended 31 December	
	2012	2013
	<i>(RMB million)</i>	<i>(RMB million)</i>
Audited profit before taxation	36.1	37.5
Audited profit after taxation	27.0	29.1

The net asset value of Kaifeng Chia Tai as at 31 December 2013, based on its audited accounts prepared in accordance with PRC generally accepted accounting principles, was RMB32.9 million (approximately US\$5.3 million).

LETTER FROM THE BOARD

The Disposal

CT Bright is an investment holding company and is indirectly owned by CPG.

Rapid Thrive is an investment holding company which was incorporated on 25 April 2014, the principal asset of which is its holding of the entire issued share capital of Ek Chor Investment. The principal activities of Ek Chor Investment are investment holding and, through its joint venture, engages in the manufacture and sale of motorcycles in the PRC.

Based on Ek Chor Investment's unaudited consolidated financial information for each of the two financial years ended 31 December 2013, the unaudited consolidated profit of Ek Chor Investment was as follows:

	Financial year ended 31 December	
	2012	2013
	(US\$ million)	(US\$ million)
Unaudited consolidated profit before taxation	4.6	3.3
Unaudited consolidated profit after taxation	4.0	2.9

The unaudited consolidated net asset value of Ek Chor Investment as at 31 December 2013 was US\$36.3 million.

E. REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE DISPOSAL

The Acquisition

The Group is principally engaged in the manufacture and sale of animal feed products and value-added processed food products in the PRC and Vietnam. Kaifeng Chia Tai is a well established manufacturer of animal feed products located in the PRC. The Acquisition will allow the Group to increase its feed production capacity in the PRC and further reinforce the Group's leading position in the feed industry.

The Disposal, Financial Effect of and Use of Proceeds from the Disposal

Ek Chor Investment is engaged in investment holding and, through its joint venture, engages in the manufacture and sale of motorcycles in the PRC. The Directors consider that the Disposal will allow the Group to focus its resources and apply the proceeds from the Disposal on its core agri-food businesses.

Assuming that the Disposal had taken place on 30 April 2014, based on the Disposal Consideration of US\$49.5 million, the consolidated net asset value of Ek Chor Investment of approximately US\$38.0 million and the amount due from Ek Chor Investment to the Group of approximately US\$11.4 million, the amount of reserves released on completion of the Disposal of approximately US\$8.2 million as at 30 April 2014 and an estimated capital gains tax in the PRC of approximately US\$1.8 million in connection with the Disposal, the Group is expected to realise an unaudited gain of approximately US\$6.5 million from the Disposal.

LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors who have taken into account the advice from the Independent Financial Adviser) consider the terms of the Acquisition Agreement and the Disposal Agreement are on normal commercial terms, fair and reasonable and 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 the Chearavanont Shareholders have a controlling interest in Thana Holding which is the holding company of Chia Tai China Agro; and Mr. Thanakorn Seriburi (vice chairman and executive Director of the Company) has directorship in Chia Tai China Agro, the Board considers that each of Mr. Dhanin Chearavanont and Mr. Thanakorn Seriburi has a material interest in the transactions contemplated under the Acquisition Agreement. Accordingly, Mr. Dhanin Chearavanont and Mr. Thanakorn Seriburi abstained from voting on the resolutions to approve the Acquisition Agreement at the relevant Board meeting. Other than Mr. Dhanin Chearavanont and Mr. Thanakorn Seriburi, no other Director has a material interest in the transactions contemplated under the Acquisition Agreement, and hence no other Director abstained from voting on the board resolutions approving the Acquisition Agreement.

As Mr. Dhanin Chearavanont (chairman and executive Director of the Company) together with other members of the Chearavanont Shareholders have a controlling interest in CPG which is the ultimate parent company of CT Bright, Mr. Thanakorn Seriburi and Mr. Soopakij Chearavanont (both vice chairmen and executive Directors of the Company), and Mr. Meth Jiaravanont (non-executive Director of the Company) have directorships in CT Bright and/or its intermediate holding companies, the Board considers that each of Mr. Dhanin Chearavanont, Mr. Thanakorn Seriburi, Mr. Soopakij Chearavanont and Mr. Meth Jiaravanont has a material interest in the transactions contemplated under the Disposal Agreement. Accordingly, Mr. Dhanin Chearavanont, Mr. Thanakorn Seriburi, Mr. Soopakij Chearavanont and Mr. Meth Jiaravanont abstained from voting on the resolutions to approve the Disposal Agreement at the relevant Board meeting. Other than Mr. Dhanin Chearavanont, Mr. Thanakorn Seriburi, Mr. Soopakij Chearavanont and Mr. Meth Jiaravanont, no other Director has a material interest in the transactions contemplated under the Disposal Agreement, and hence no other Director abstained from voting on the board resolutions approving the Disposal Agreement.

F. LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, CPF is interested in approximately 70.85% of the Shares in issue and approximately 39.1% 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. CT Bright is an indirect subsidiary of CPG and therefore treated as a connected person of the Company.

CPG is owned as to approximately 51.3% of its issued share capital by the Chearavanont Shareholders in aggregate, and they also own approximately 51.3% of the issued share capital of Thana Holding. Due to the Chearavanont Shareholders' aggregate majority shareholding in CPG and as they also hold in aggregate the majority shareholding in Thana Holding, Thana Holding and its associates, including Chia Tai China Agro, are also treated as connected persons of the Company for the purposes of the Listing Rules. The transactions contemplated under the Acquisition Agreement and the Disposal Agreement are therefore treated as connected transactions for the Company under the Listing Rules.

LETTER FROM THE BOARD

Reference is made to the announcement of the Company dated 24 February 2014 where the Company announced that Chia Tai Investment as the purchaser and Chia Tai China Agro as the vendor entered into the Hefei Acquisition Agreement for the Hefei Acquisition. Since the Acquisition, the Disposal and the Hefei Acquisition were entered into by the Company with the same party or with parties connected or otherwise associated with one another, the Company has in this instance aggregated these transactions and treat them as if they were one transaction.

As one or more of the relevant percentage ratios for the Acquisition, the Disposal and the Hefei Acquisition when aggregated pursuant to Rule 14.22 of the Listing Rules is on this basis over 5% but less than 25%, the transactions contemplated under the Acquisition, the Disposal and the Hefei Acquisition also constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules.

On the above basis, the Acquisition and the Disposal are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules applicable to connected transactions as if the same were to be applicable, and the reporting and disclosure requirements under Chapter 14 of the Listing Rules applicable to discloseable transactions.

G. RECOMMENDATION

The Independent Board Committee has been established to consider the terms of the Acquisition Agreement and the Disposal Agreement and CMBI has been appointed to advise the Independent Board Committee and the Independent Shareholders whether the terms of the Acquisition Agreement and the Disposal Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The text of the letter from CMBI containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 14 to 27 of this circular and the text of the letter from the Independent Board Committee to the Independent Shareholders is set out on page 13 of this circular.

The Independent Board Committee, having taken into account the opinion of CMBI, considers the terms of the Acquisition Agreement and the Disposal Agreement are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole and accordingly, recommends the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM.

In light of the above, the Board considers that the terms of the Acquisition Agreement and the Disposal Agreement are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM.

H. SPECIAL GENERAL MEETING

The SGM will be convened at Suites 6411-6416, 64th Floor, Two International Finance Centre, 8 Finance Street, Hong Kong on Tuesday, 8 July 2014 at 3:00 p.m. A notice convening the SGM at which resolutions will be proposed to the Independent Shareholders to consider, and if thought fit, to approve the Acquisition Agreement and the Disposal Agreement and the transactions contemplated thereunder, details of which are set out on pages 32 to 33 of this circular.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Chearavanont Shareholders own (i) approximately 51.3% of the issued share capital of Thana Holding; and (ii) approximately 51.3% of the issued share capital of CPG which was interested in approximately 39.1% of the issued shares in CPF, the controlling shareholder of the Company interested in approximately 70.85% of the Shares in issue. The Chearavanont Shareholders and their respective associates, including CPF which holds 2,639,853,337 Shares, representing approximately 12.04% of the issued ordinary share capital of the Company as at the Latest Practicable Date, and CPF Investment Limited (a subsidiary of CPF) which holds 12,891,843,068 Shares, representing approximately 58.81% of the issued ordinary share capital of the Company as at the Latest Practicable Date, will abstain from voting at the SGM in respect of each of the resolutions on these matters. In addition, Mr. Dhanin Chearavanont, a Director holding direct interests in 37,600,000 Shares, representing approximately 0.17% of the issued ordinary share capital of the Company as at the Latest Practicable Date, is a connected person with a material interest in the transactions contemplated under the Acquisition Agreement and the Disposal Agreement. As such, Mr. Dhanin Chearavanont will abstain from voting at the SGM in respect of each of the resolutions on these matters.

A proxy form for use at the SGM is also enclosed. Whether or not you are able to attend the SGM, please complete the accompanying proxy form in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the meeting if they so wish.

I. FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

Yours faithfully,
By Order of the Board
Arunee Watcharananan
Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



C.P. POKPHAND CO. LTD.

(Incorporated in Bermuda with limited liability)

(Stock Code: 43)

19 June 2014

To the Independent Shareholders

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTIONS

We refer to the circular dated 19 June 2014 issued to the Shareholders (the “**Circular**”) of which this letter forms part. Capitalised terms used herein shall have the same meanings as defined in the Circular unless the context otherwise requires.

As independent non-executive Directors who are independent of the parties to the Acquisition Agreement and the Disposal Agreement and not having any interest in the transactions contemplated under the Acquisition Agreement and the Disposal Agreement, we have been appointed by the Board to advise you as to whether, in our opinion, the terms of the Acquisition Agreement and the Disposal Agreement are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned.

CMBI has been appointed by the Company as the Independent Financial Adviser to advise us regarding the fairness and reasonableness of the terms of the Acquisition Agreement and the Disposal Agreement. Details of its advice, together with the principal factors and reasons taken into consideration in arriving at such opinion, are set out on pages 14 to 27 of the Circular. Your attention is also drawn to the letter from the Board set out on pages 4 to 12 of the Circular and the additional information set out in the appendix to the Circular.

Having taken into account the opinion of and the principal factors and reasons considered by CMBI as stated in its letter of advice, we consider that the terms of the Acquisition Agreement and the Disposal Agreement are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and its Shareholders as a whole. We therefore recommend the Independent Shareholders to vote in favour of the relevant resolutions in relation to the Acquisition Agreement and the Disposal Agreement to be proposed at the SGM.

Yours faithfully,

For and on behalf of

the Independent Board Committee

**Mr. Ma Chiu
Cheung, Andrew**
*Independent
Non-executive
Director*

**Mr. Sombat
Deo-isres**
*Independent
Non-executive
Director*

**Mr. Sakda
Thanitcul**
*Independent
Non-executive
Director*

**Mr. Vinai
Vittavasgarnvej**
*Independent
Non-executive
Director*

**Mrs. Vatchari
Vimooktayon**
*Independent
Non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter of advice from CMBI, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of incorporation in this circular, setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the Discloseable and Connected Transactions.



CMB International Capital Limited
Units 1803-4, 18/F, Bank of America Tower
12 Harcourt Road, Central, Hong Kong

19 June 2014

*To the Independent Board Committee and the Independent
Shareholders of C.P. POKPHAND CO. LTD.*

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the Acquisition Agreement and the Disposal Agreement and the transactions contemplated thereunder, details of which, among other things, are set out in the letter from the Board (the “**Letter from the Board**”) of this circular (the “**Circular**”). Capitalised terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

On 21 May 2014, Chia Tai Investment, an indirect wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with Chia Tai China Agro, an indirect subsidiary of Thana Holding, pursuant to which Chia Tai Investment conditionally agreed to purchase the entire equity interest in Kaifeng Chia Tai at the Acquisition Consideration. Upon the Acquisition Completion, Kaifeng Chia Tai will become an indirect wholly-owned subsidiary of the Company.

On the same date, the Company entered into the Disposal Agreement with CT Bright, an indirect subsidiary of CPG pursuant to which the Company conditionally agreed to dispose of the entire issued share capital in Rapid Thrive at the Disposal Consideration. Upon the Disposal Completion, Rapid Thrive will cease to be a subsidiary of the Company and the Group will no longer be engaged in the manufacture and sale of motorcycles.

As at the Latest Practicable Date, CPF is interested in approximately 70.85% of the Shares in issue and approximately 39.1% 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. CT Bright is an indirect subsidiary of CPG and therefore treated as a connected person of the Company.

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CPG is owned as to approximately 51.3% of its issued share capital by the Chearavanont Shareholders in aggregate and they also own approximately 51.3% of the issued share capital of Thana Holding. Due to the Chearavanont Shareholders' aggregate majority shareholding in CPG and as they also hold in aggregate the majority shareholding in Thana Holding, Thana Holding and its associates, including Chia Tai China Agro, are also treated as connected persons of the Company for the purposes of the Listing Rules. The transactions contemplated under the Acquisition Agreement and the Disposal Agreement are therefore treated as connected transactions for the Company under the Listing Rules.

Reference is made to the announcement of the Company dated 24 February 2014 where the Company announced that Chia Tai Investment as the purchaser and Chia Tai China Agro as the vendor entered into the Hefei Acquisition Agreement for the Hefei Acquisition. Since the Acquisition, the Disposal and the Hefei Acquisition were entered into by the Company with the same party or with parties connected or otherwise associated with one another, the Company has aggregated in this instance these transactions and treat them as if they were one transaction.

As one or more of the relevant percentage ratios for the Acquisition, the Disposal and the Hefei Acquisition when aggregated pursuant to Rule 14.22 of the Listing Rules is on this basis over 5% but less than 25%, the transactions contemplated under the Acquisition, the Disposal and the Hefei Acquisition, in aggregate, also constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules.

On the above basis, the Acquisition and the Disposal are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules applicable to connected transactions as if the same were to be applicable, and the reporting and disclosure requirements under Chapter 14 of the Listing Rules applicable to discloseable transactions.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Ma Chiu Cheung, Andrew, Mr. Sombat Deo-isres, Mr. Sakda Thanitcul, Mr. Vinai Vittavasarnvej and Mrs. Vatchari Vimooktayon, has been established to advise the Independent Shareholders on whether the terms of each of the Acquisition Agreement and Disposal Agreement and the transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. We, CMB International Capital Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in these regards.

BASIS OF OUR OPINION

In formulating our recommendation, we have relied, without assuming any responsibility for independent verification, on the information, opinions and facts supplied and representations made to us by the Company, who have assumed full responsibility for the accuracy of the information contained in the Circular and that any information and representations made to us are true, accurate and complete in all material respects as at the date hereof and that they may be relied upon. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Company. We have discussed with the management of the Company (the "**Management**") regarding their plans and prospects of the Company. We have also relied on certain information available to the public and have assumed such information to be accurate and reliable, and we have not independently

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verified the accuracy of such information nor have we conducted any form of in-depth investigation into the businesses and affairs or the prospects of the Company, Chia Tai China Agro, Chia Tai Investment, CT Bright or any of their respective subsidiaries or associates. We have also assumed that statements and representations made or referred to in the Circular were accurate at the time they were made and continue to be accurate up to the date of the SGM. We consider that we have reviewed sufficient information to reach an informed view in order to provide a reasonable basis for our advice. It is not within our terms of engagement to comment on the commercial feasibility of the Acquisition or the Disposal, which remains the responsibility of the Directors. As the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, we have not been involved in the negotiations in respect of the terms of the Acquisition Agreement or Disposal Agreement.

Our opinion is necessarily based upon the financial, economic, market, regulatory, and other conditions as they exist on, and the facts, information, and opinions made available to us as of the date of this letter. We have no obligation to update this opinion to take into account events occurring after the date on which this opinion is delivered to the independent non-executive Directors. This letter is solely for the information of the Independent Board Committee and the Independent Shareholders, in connection with their consideration of the Acquisition Agreement and Disposal Agreement and is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose, without our prior written consent.

CMBI is a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO. CMBI and its affiliates, whose ordinary business involves the trading of, dealing in and the holding of securities, may be involved in the trading of, dealing in, and the holding of the securities of the Company for client accounts.

INDEPENDENCE DECLARATION

CMBI was the independent financial adviser in respect of the continuing connected transactions contained in the Company's circular dated 4 December 2013. Notwithstanding the aforesaid past engagement, as at the Latest Practicable Date, we are not aware of any relationships or interests between CMBI and the Company or any other parties to the Acquisition and/or the Disposal that could be reasonably regarded as a hindrance to CMBI's independence as defined under Rule 13.84 of the Listing Rules to act as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition and the Disposal.

PRINCIPAL FACTORS AND REASONS CONSIDERED

The principal factors and reasons we have taken into account in assessing the terms of the Acquisition Agreement and the Disposal Agreement and the transactions contemplated thereunder in giving our recommendation to the Independent Board Committee and the Independent Shareholders are set out below:

(i) *Information of the Group*

The Group is principally engaged in the manufacture and sale of animal feed products; the breeding, farming and sale of livestock and aquatic animals, and the manufacture and sale of value-added processed food products.

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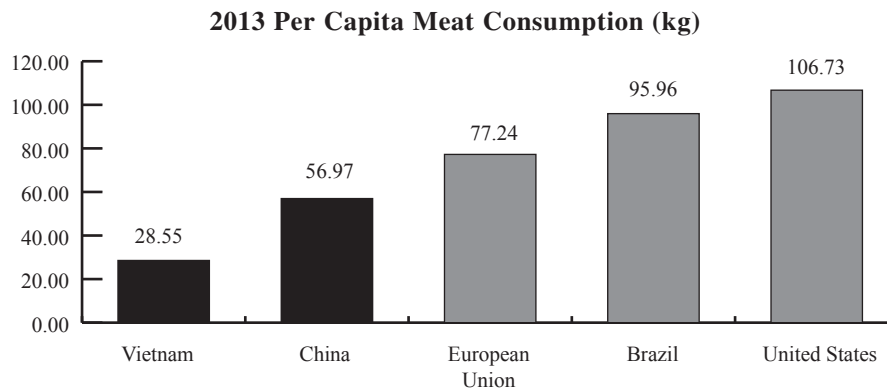
We have reviewed the Company's annual reports for the years ended 31 December 2012 and 2013 respectively. The Group's revenue generated from its feed segment amounted to approximately US\$4,086.9 million and US\$4,330.0 million, representing approximately 82.4% and 80.0% of total revenue, respectively, for the two years ended 31 December 2012 and 2013.

We also note from the Letter from the Board that the Group plans to continuously implement strategies to further increase its feed production capacity, as well as to further reinforce the Group's leading position in the feed industry.

(ii) Overview and outlook of the feed production business in the PRC

Based on our discussion with the Management, we note that the Management is of the view that the outlook of the feed production industry in the PRC is positive and will continue to present a growing trend in the future. According to the Ministry of Agriculture of the PRC and the China Feed Industry Statistics (中國飼料網), the commercial feed production industry in the PRC has experienced steady growth over the past years, with a compound annual growth rate ("CAGR") of approximately 8.0% from 2006 to 2013. Although the feed demand recorded a slower period in 2013 due to China's slowdown in economic growth and the emergence of human cases of avian influenza A (H7N9), the Management remains optimistic that such decrease in feed production in the PRC is only temporary. Despite the Group's feed volume decreased by 1.5% in 2013, the Group recorded a revenue growth of approximately 5.9% for the year ended 31 December 2013 in its feed segment.

According to the Food and Agricultural Policy Research Institute and as presented below, meat consumption per capita for Vietnam and China in 2013 was relatively lower than other more developed countries, and to the best knowledge of the Management, as a result of economic growth in the PRC and Vietnam and rising disposable income, animal protein consumption is expected to increase considerably, representing additional growth potential for the Group.



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The Management is also of the view that economic development and urbanization will raise protein demand, driving increases in meat production and animal feed demand. According to the National Bureau of Statistics of China, the growth rate of gross domestic product (“GDP”) in the PRC in 2013 was 7.7%, steady from 2012, and the urbanization rate of the PRC increased from approximately 49.2% in 2010 to 53.8% in 2013, with the urban population increasing from 562.1 million in 2005 to 731.1 million in 2013, representing a CAGR of 3.3%. According to International Monetary Fund, GDP in the PRC is expected to grow on an average annual rate of approximately 7.0% to 2016. According to the Chinese Academy of Social Sciences (中國社會科學院), the urbanization rate is expected to reach 60.3% by 2020. As such, along with the rise in living standards, quality and safe food products are increasingly on the demand.

(A) THE ACQUISITION

1. Background and reasons for entering into the Acquisition Agreement

As set out in the Letter from the Board, on 21 May 2014, Chia Tai Investment, an indirect wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with Chia Tai China Agro, an indirect subsidiary of Thana Holding pursuant to which Chia Tai Investment conditionally agreed to purchase the entire equity interest in Kaifeng Chia Tai at the Acquisition Consideration.

As stated in the Letter from the Board, Kaifeng Chia Tai is principally engaged in the manufacture and sale of animal feed products in the PRC. Based on Kaifeng Chia Tai’s audited accounts prepared in accordance with PRC generally accepted accounting principles (“PRC GAAP”), the net profit of Kaifeng Chia Tai were approximately RMB27.0 million and RMB29.1 million for the two years ended 31 December 2012 and 2013 respectively. As such, we concur with the Management that the Acquisition is in line with the business strategies of the Group and is therefore in the interests of the Company and the Shareholders as a whole.

2. Major terms of the Acquisition Agreement

The following is our analyses and views on the major terms of the Acquisition Agreement:

(i) *The Acquisition Consideration and payment*

As stated in the Letter from the Board, the Acquisition Consideration is RMB311 million (equivalent to approximately US\$49.8 million), which will be paid in full by cash by Chia Tai Investment within six months from the date of the Acquisition Completion. The Acquisition Consideration will be funded by the Group’s own financial resources.

The Acquisition Consideration was determined after arm’s length negotiation between Chia Tai Investment and Chia Tai China Agro by reference to, amongst other things, the net profit after tax of Kaifeng Chia Tai of RMB29.1 million for the year ended 31 December 2013 and the implied price earnings ratio of the acquisition by the Group of a group of companies principally engaged in the feed business in China pursuant to an agreement made in December 2009. Details of the acquisition were set out in an announcement and a circular issued by the Company on 11 December 2009 and 31 December 2009, respectively.

Based on the Acquisition Consideration of RMB311 million (equivalent to approximately US\$49.8 million), the implied price earnings ratio of the Acquisition is approximately 10.7 times, which is the same as the implied price earnings ratio for the acquisition in 2009 referred above.

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(ii) *Our Analysis*

To assess the fairness and reasonableness of the Acquisition Consideration, given the limited publicly available information and tradability of the private companies for comparison purpose, we have, on a best effort basis, conducted a search of companies listed on the Stock Exchange that are principally engaged in the manufacture and sale of animal feed products but no such company other than the Company can be identified. As an alternative, we expanded our search to companies listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange which are principally engaged in the manufacture and sale of animal feed products. Based on the above criterion, we have, to the best of our knowledge, identified eight comparable companies including the Company, and we consider they represent an exhaustive list of relevant comparable companies based on the said criterion above and the selection principles are able to provide fair and representative samples for analysis.

We are of the view that price earnings ratio is the most relevant and commonly used valuation multiple in assessing the acquisition of a profitable company or business, as such we have compared the price earnings ratios of the comparable companies with the implied price earnings ratio of the Acquisition. Having said the above, it should be noted that as Kaifeng Chia Tai is not a listed company, each of the comparable companies may not be entirely comparable to Kaifeng Chia Tai in terms of market capitalisation, geographical spread of activities, scale of operations, asset base, cash position, debt structure, minority interest, risk profile, track record, composition of their business activities, future prospects and other relevant criteria. All these factors may affect the valuation of a company as indicated by the varied range of result in the comparison, details of which are set out below:

Comparable company	Stock code	Principal Business	Price earnings ratio (approximately times) ^{Note 1}
The Company	43 HK	An investment holding company whose subsidiaries in China and Vietnam are principally engaged in the manufacture and sale of animal feed products; breeding, farming and sale of livestock and aquatic animals and the manufacture and sale of value-added processed food products	12.9
New Hope Liuhe Co., Ltd	000876 CH	Develops, produces, and markets a variety of animal feeds, and also operates a trading business, produces packing materials, chemicals and fish oil, and provides consulting services	10.7

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Comparable company	Stock code	Principal Business	Price earnings ratio (approximately times) ^{Note 1}
Xinjiang Tecon Animal Husbandry Bio-Technology Co., Ltd.	002100 CH	Engaged in producing and distributing feeds and feed additives. It also produces and sells veterinary drugs, agricultural and milk products	25.4
Guangdong Haid Group Co., Limited	002311 CH	Manufactures and markets animal feeds. It imports distiller's dried grains with solubles for ingredient in fish and animal feeds	34.0
Beijing Dabeinong Technology Group Co., Ltd	002385 CH	Produces and sells animal feeds, cultivates and promotes seed products. Its products include mix feed, concentrate feed, compound feed, paddy seed, corn seed, and cotton seed	24.0
Shenzhen Jinxinnong Feed Co., Ltd.	002548 CH	Develops, produces and sells pig feed. Its main products are pig batch mixture, pig concentrate feed and pig premix	47.1
Tangrenshen Group Co., Ltd	002567 CH	Engages in pig farming and meat processing. It also develops, produces and sells feed products. Its main products include feed products, raw meat, meat and animal health products	23.8
Tongwei Co., Ltd	600438 CH	Produces and markets aquatic and animal feeds. It also sells animal medicines	25.6
		Maximum	47.1
		Minimum	10.7
		Median	24.7
		Average	25.4

Implied valuation of the Acquisition 10.7 ^{Note 2}

Source: Bloomberg and 2013 annual report of respective companies

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Notes:

1. Price earnings ratio is calculated based on the market capitalisation as at the Latest Practicable Date divided by the net profit attributable to the owners of the company for the year ended 31 December 2013.
2. The implied price earnings ratio of the Acquisition is calculated based on the Acquisition Consideration divided by the net profit attributable to owners of Kaifeng Chia Tai for the year ended 31 December 2013.

As shown above, the price earnings ratios of the comparable companies range from approximately 10.7 times to 47.1 times, with an average of approximately 25.4 times. We note that the implied price earnings ratio of the Acquisition of approximately 10.7 times is at the lower end of the range of price earnings ratios of the comparable companies. As such, we consider that the Acquisition Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

3. Possible financial effects of the Acquisition

(i) *Earnings*

Upon Acquisition Completion, Kaifeng Chia Tai will become an indirect wholly-owned subsidiary of the Company and accordingly the results of Kaifeng Chia Tai will be consolidated into the Group's consolidated financial statements.

Based on the audited financial statements of Kaifeng Chia Tai prepared in accordance with PRC GAAP, Kaifeng Chia Tai recorded revenue of approximately RMB695.1 million and RMB647.3 million and net profit of RMB27.0 million and RMB29.1 million for the two years ended 31 December 2012 and 2013, respectively. In view of the financial performance of Kaifeng Chia Tai and the positive prospect of the PRC feed industry, we concur with the Management that the Acquisition could potentially enhance the revenue stream and financial results of the Group going forward.

(ii) *Net asset value*

Based on the audited financial statements of Kaifeng Chia Tai prepared in accordance with PRC GAAP, Kaifeng Chia Tai had total assets of approximately RMB129.3 million, total liabilities of approximately RMB96.4 million and net assets of approximately RMB32.9 million as at 31 December 2013. Based on the annual report of the Company for the year ended 31 December 2013, the Group had total assets of approximately US\$2,759.5 million and total liabilities of approximately US\$1,513.2 million. In view of the relatively small assets and liabilities of Kaifeng Chia Tai as compared to the Group, we consider that the financial effect on the Group's net asset value resulting from the Acquisition would be minimal.

(iii) *Gearing*

In view of the Group's gearing ratio (calculated as net debt divided by total equity) of 38% as at 31 December 2013 as per the Company's annual report for the year ended 31 December 2013 and the assets and liabilities of Kaifeng Chia Tai, representing approximately 0.7% and 1.0% of the Group's total assets and total liabilities respectively, we consider that the financial effect on the Group's gearing resulting from the Acquisition would be minimal.

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(iv) *Working capital*

Pursuant to the Acquisition Agreement, the Acquisition Consideration of RMB311 million will be paid in full by cash within six months from the date of Acquisition Completion. As per the Company's annual report for the year ended 31 December 2013, the Group had cash and cash equivalent of approximately US\$374.1 million as at 31 December 2013 and the Management is of the view that no additional working capital is required for the operation of Kaifeng Chia Tai, we consider that the Acquisition Consideration will not have a material adverse impact on the Group's liquidity and working capital position.

4. Our view

Having considered the principal factors and reasons referred to above, we are of the opinion that the terms of the Acquisition Agreement are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

(B) THE DISPOSAL

1. Background of and reasons for entering into the Disposal Agreement

As set out in the Letter from the Board, on 21 May 2014, the Company entered into the Disposal Agreement with CT Bright, an indirect subsidiary of CPG pursuant to which the Company conditionally agreed to dispose of the entire issued share capital of Rapid Thrive at the Disposal Consideration.

As stated in the Letter from the Board, Rapid Thrive is an investment holding company, the principal asset of which is its holding of the entire issued share capital of Ek Chor Investment. The principal activities of Ek Chor Investment are investment holding and, through its joint venture, engages in the manufacture and sale of motorcycles in the PRC. Based on Ek Chor Investment's unaudited consolidated financial information, the consolidated net profit of Ek Chor Investment were approximately US\$4.0 million and US\$2.9 million for the two years ended 31 December 2012 and 2013 respectively.

As stated in the Letter from the Board, Ek Chor Investment is engaged in investment holding and, through its joint venture, engages in the manufacture and sale of motorcycles in the PRC. The Directors consider that the Disposal will allow the Group to focus its resources and apply the proceeds from the Disposal on its core agri-food businesses. We have further discussed with the Management and we understand that the Group merely shares the profits or losses of the joint venture which engages in the manufacture and sale of motorcycles in the PRC as shown in the consolidated statement of comprehensive income of the Group and the unaudited consolidated net profit of Ek Chor Investment (including the share of profits and losses of the joint venture) represented 1.4% of the Group's net profit for the year ended 31 December 2013. Therefore, we concur with Directors' view that the Disposal will allow the Group to focus its resources and apply the proceeds from the Disposal on its core agri-food businesses, and is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. Major terms of the Disposal Agreement

The following is our analyses and views on the major terms of the Disposal Agreement:

(i) *The Disposal Consideration and payment*

As stated in the Letter from the Board, the Disposal Consideration of US\$49.5 million will be paid in full by cash by CT Bright within six months from the date of the Disposal Completion.

The Disposal Consideration was arrived at after arm's length negotiations between the Company and CT Bright by reference to various factors, including the implied price earnings ratio of the Disposal taking into account the historical financial results of Ek Chor Investment, the net asset value of Ek Chor Investment, the amount due from Ek Chor Investment to the Group and the amount of reserves to be released upon completion of the Disposal. Based on the Disposal Consideration of US\$49.5 million and the consolidated profit after taxation of Ek Chor Investment for the year ended 31 December 2013 of approximately US\$2.9 million, the implied price earnings ratio of the Disposal is approximately 17.1 times. As at 30 April 2014, the consolidated net asset value of Ek Chor Investment was approximately US\$38.0 million, the amounts due from Ek Chor Investment to the Group was approximately US\$11.4 million and the amount of reserves to be released (assuming the Disposal had taken place on 30 April 2014) was approximately US\$8.2 million.

(ii) *Our Analysis*

To assess the fairness and reasonableness of the Disposal Consideration, given the limited publicly available information and tradability of the private companies for comparison purpose, we have, on a best effort basis, conducted a search of companies listed on the Stock Exchange that are principally engaged in the manufacture and sale of motorcycles in the PRC, but no such company can be identified. As an alternative, we expanded our search to companies listed on the Shanghai Stock Exchange and the Shenzhen Stock Exchange which are principally engaged in the manufacture and sale of motorcycles. Based on the above criterion, we have, to the best of our knowledge, identified five comparable companies, and we consider they represent an exhaustive list of relevant comparable companies based on the said criterion above and the selection principles are able to provide fair and representative samples for analysis.

We are of the view that price earnings ratio is the most relevant and commonly used valuation multiple in assessing the disposal of a profitable company or business, as such, we have compared the price earnings ratios of the comparable companies with the implied price earnings ratio of the Disposal. Having said the above, it should be noted that as Rapid Thrive is not a listed company, each of the comparable companies may not be entirely comparable to Rapid Thrive in terms of market capitalisation, geographical spread of activities, scale of operations, asset base, cash position, debt structure, minority interest, risk profile, track record, composition of their business activities, future prospects and other relevant criteria. All these factors may affect the valuation of a company as indicated by the varied range of result in the comparison, details of which are set out below:

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Comparable company	Stock code	Principal Business	Price earnings ratio (approximately times) ^{Note 1}
Zhejiang Qianjiang Motorcycle Co., Ltd.	000913 CH	Manufactures and markets motorcycles, related parts, and mopeds. It also provides maintenance and repair services	194.2 ^{Note 2}
Chongqing Jianshe Motorcycle Co. Ltd.	200054 CH	Designs, manufactures, and markets motorcycles and related parts, industrial molds, and standard frames	45.5 ^{Note 3}
China Jialing Industrial Co., Ltd. (Group)	600877 CH	Manufactures and sells motorcycles and related engines	N/A ^{Note 4}
Lifan Industry (Group) Co., Ltd.	601777 CH	Develops, manufactures and sells motorcycles, cars and gasoline engines. Its major products include motorcycles, motorcycle engines, passenger cars, passenger car engines, gasoline engines and other terminal products such as generator sets, water pumps and lawn mowers	16.2
Loncin Motor Co., Ltd.	603766 CH	Manufactures motorcycles. It develops, produces, and sells motorized two wheel vehicles, motorized three wheel vehicles, engines, generators, and new-energy cars, providing its products throughout the world	12.8
		Maximum	194.2
		Minimum	12.8
		Median	30.9
		Average	67.2
Implied valuation of the Disposal			17.1 ^{Note 5}

Source: Bloomberg and 2013 annual report of respective companies

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Notes:

1. Price earnings ratio is calculated based on the market capitalisation as at the Latest Practicable Date divided by the net profit attributable to the owners of the company for the year ended 31 December 2013.
2. The company recorded an extraordinary gain on investments, which improved the results of the company from making net loss to a small amount of net profit for the year ended 31 December 2013. As such, the price earnings ratio is significantly higher than the price earnings ratios of other comparable companies.
3. The company recorded an extraordinary gain on disposal of assets, which improved the results of the company from making net loss to a small amount of net profit for the year ended 31 December 2013. As such, the price earnings ratio is significantly higher than the price earnings ratios of other comparable companies.
4. The company recorded a net loss for the year ended 31 December 2013, therefore, the price earnings ratio is not applicable.
5. The implied price earnings ratio of the Disposal is calculated based on the Disposal Consideration divided by the net profit attributable to owners of Ek Chor Investment for the year ended 31 December 2013.

As shown above, the price earnings ratios of the comparable companies range from approximately 12.8 times to 194.2 times, with an average of approximately 67.2 times. As Zhejiang Qianjiang Motorcycle Co., Ltd. and Chongqing Jianshe Motorcycle Co. Ltd. only recorded a minimal net profit and were in net loss before the extraordinary gain on investments and disposal of assets, respectively, we consider the significantly higher price earnings ratio of Zhejiang Qianjiang Motorcycle Co., Ltd. and Chongqing Jianshe Motorcycle Co. Ltd. are not meaningful in the comparison. After excluding the price earnings ratios of Zhejiang Qianjiang Motorcycle Co., Ltd. and Chongqing Jianshe Motorcycle Co. Ltd., the average price earnings ratio of the comparable companies is approximately 14.5 times and is lower than the implied price earnings ratio of the Disposal of approximately 17.1 times. As such, we consider that the Disposal Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

3. Possible financial effects of the Disposal

(i) Earnings

Upon Disposal Completion, Rapid Thrive will cease to be a subsidiary of the Company and the Group will no longer be engaged in the manufacture and sale of motorcycles. Accordingly, the results of Rapid Thrive and Ek Chor Investment, each a wholly-owned subsidiary of the Company, will no longer be consolidated in the financial statements of the Group. In addition, regarding the joint venture held by Ek Chor Investment, the results of which has been accounted for share of profits and losses of joint ventures, the Group will no longer share the results of the joint venture upon Disposal Completion.

As per the unaudited consolidated financial information of Ek Chor Investment for the two years ended 31 December 2013, the net profit of Ek Chor Investment were approximately US\$4.0 million and US\$2.9 million, representing approximately 1.7% and 1.4% of the net profit of the Group for the two years ended 31 December 2013, respectively.

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Moreover, as stated in the Letter from the Board, based on the Disposal Consideration of US\$49.5 million, the consolidated net asset value of Ek Chor Investment of approximately US\$38.0 million, the amount due from Ek Chor Investment to the Group of approximately US\$11.4 million, the amount of reserves released on completion of the Disposal of approximately US\$8.2 million as at 30 April 2014 and an estimated capital gain tax in the PRC resulting from the Disposal of approximately US\$1.8 million, the Group is expected realise a gain on Disposal of approximately US\$6.5 million. In view of the above, we consider that there would be no material adverse impact on the Group's revenue stream and operational prospect as it is not a core business of the Group.

(ii) *Net asset value*

As stated in the Letter from the Board, Ek Chor Investment had net assets of approximately US\$38.0 million as at 30 April 2014, which is mainly consisted of its interests in joint venture. Upon Disposal Completion, the corresponding interests in joint ventures in the consolidated financial statements of the Group would be derecognized. In view of the gain on Disposal and the amount of reserves released which will slightly decrease the Group's net assets value by approximately US\$1.7 million, representing 0.1% of the Group's net assets value as at 31 December 2013, we consider that the financial effect on the Group's net asset value resulting from the Disposal would be minimal.

(iii) *Gearing*

In view of the Group's gearing ratio of 38% as at 31 December 2013 as per the Company's annual report for the year ended 31 December 2013, the Disposal Consideration to be received and the relatively small assets and liabilities of Ek Chor Investment, representing approximately 2.0% and 1.3% of the Group's total assets and total liabilities respectively, we consider that the financial effect on the Group's gearing resulting from the Disposal would be minimal.

(iv) *Working capital*

Pursuant to the Disposal Agreement, the Disposal Consideration of US\$49.5 million will be paid in full by cash within six months from the date of Disposal Completion. In view of the Disposal Consideration to be received, the net current liabilities (excluding the amount due to the Group of approximately US\$11.4 million) of US\$2.5 million of Ek Chor Investment as at 30 April 2014 to be derecognized and the estimated capital gain tax in the PRC resulting from the Disposal of approximately US\$1.8 million, which will increase the Group's net current assets by US\$50.2 million, representing 8.8% of the Group's net current assets as at 31 December 2013, we consider there would be no negative impact on the working capital of the Company upon Disposal Completion.

4. Our view

Having considered the principal factors and reasons referred to above, we are of the opinion that the terms of the Disposal Agreement, are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

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RECOMMENDATION

Having considered the above factors, we consider that the terms of the Acquisition Agreement and Disposal Agreement are on normal commercial terms and in the interests of the Company and the Shareholders as a whole, and the Acquisition Consideration and Disposal Consideration, as well as the basis of determination, are fair and reasonable so far as the Company and the Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolutions to approve the Acquisition Agreement and Disposal Agreement and the transactions contemplated thereunder at the SGM.

Yours faithfully,
For and on behalf of
CMB International Capital Limited
Anthony Ng
Director
Investment Banking Division

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in Shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) as are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he is taken or deemed to have under such provisions of the SFO), recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules were as follows:

(a) Directors' interests in Shares of the Company

Name of Director	Capacity	Number of Shares held (Note)	Approximate percentage of the issued ordinary share capital of the Company
Mr. Dhanin Chearavanont	Beneficial owner	37,600,000 (L)	0.17%
Mr. Thanakorn Seriburi	Beneficial owner	62,584,807 (L)	0.29%
Mr. Meth Jiaravanont	Beneficial owner	21,000,000 (L)	0.10%

Note: The letter "L" denotes a long position.

(b) Directors' interests in shares of associated corporation of the Company

(i) Charoen Pokphand Group Company Limited

Name of Director	Capacity	Number of shares held (Note)	Approximate percentage of the issued share capital of CPG
Mr. Dhanin Chearavanont	Beneficial owner	228,277,810 (L)	12.96%
Mr. Thanakorn Seriburi	Beneficial owner	11,322,605 (L)	0.64%

(ii) *Kinghill Limited*

Name of Director	Capacity	Number of shares held (Note)	Approximate percentage of the issued share capital of Kinghill Limited
Mr. Dhanin Chearavanont	Beneficial owner	8,403,137 (L)	2.80%
Mr. Thanakorn Seriburi	Beneficial owner	1,352,857 (L)	0.45%

Note: The letter "L" denotes a long position.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interest or short position in Shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) as are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he is taken or deemed to have under such provisions of the SFO), recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

3. COMPETING INTERESTS

As at the Latest Practicable Date, the Directors were not aware that any of the Directors or his/her respective associates had interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group which falls to be disclosed under the Listing Rules.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered into any service contracts with the Company or any other member of the Group, save for those expiring or determinable by the relevant employer within one year without payment of compensation (other than statutory compensation).

5. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading positions of the Group since 31 December 2013 (the date to which the latest published audited consolidated accounts of the Group were made up).

6. INTERESTS IN ASSETS OR CONTRACTS

Save as disclosed in this circular, so far as the Directors are aware, as at the Latest Practicable Date, none of the Directors or the expert referred to in paragraph 7 “Qualification and Consent of Expert” below has any direct or indirect interest in any assets of material importance to the Company which have been acquired or disposed of by or leased to or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2013, the date to which the latest published audited consolidated financial statements of the Group were made up.

Save as disclosed in this circular, none of the Directors is materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group taken as a whole.

7. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given its opinion or advice for the inclusion in this circular:

Name	Qualification	Nature of opinion or advice	Date of opinion
CMBI	a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO	Letter to the Independent Board Committee and the Independent Shareholders	19 June 2014

CMBI has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and reference to its name in the form and context in which it appears.

As at the Latest Practicable Date, CMBI did not have any shareholding in the Company or any other member of the Group or the right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in the Company or any other member of the Group.

8. MISCELLANEOUS

- (a) The Company’s registered office is at Canon’s Court, 22 Victoria Street, Hamilton HM12, Bermuda and its principal place of business is at 21st Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (b) The Hong Kong branch share registrar of the Company is Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.

- (c) The secretary of the Company is Mr. Lau Wing Yuen. He is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.
- (d) The English text of this circular shall prevail over the Chinese text in the case of any inconsistency.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company's principal place of business in Hong Kong at 21st Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong up to and including the date of the SGM:

- (a) the letter from the Independent Board Committee, the text of which is set out on page 13 of this circular;
- (b) the letter from CMBI, the text of which is set out on pages 14 to 27 of this circular;
- (c) the written consent from CMBI referred to in the paragraph headed "Qualification and Consent of Expert" in this appendix;
- (d) the Acquisition Agreement;
- (e) the Disposal Agreement;
- (f) the Hefei Acquisition Agreement; and
- (g) this circular.

NOTICE OF SPECIAL GENERAL MEETING



C.P. POKPHAND CO. LTD.

(Incorporated in Bermuda with limited liability)

(Stock Code: 43)

NOTICE IS HEREBY GIVEN that a special general meeting of C.P. POKPHAND CO. LTD. (the “**Company**”) will be held at Suites 6411-6416, 64th Floor, Two International Finance Centre, 8 Finance Street, Hong Kong on Tuesday, 8 July 2014 at 3:00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions of the Company:

(1) “**THAT:**

- (i) the Acquisition Agreement (as defined in the circular of the Company dated 19 June 2014 (the “**Circular**”)) and a copy of which is produced to the meeting marked “A” and initialed by the chairman of the meeting for identification purpose entered into between Chia Tai China Agro (as defined in the Circular) and Chia Tai Investment (as defined in the Circular), pursuant to which Chia Tai Investment conditionally agreed to purchase the entire equity interest in Kaifeng Chia Tai (as defined in the Circular) at the Acquisition Consideration (as defined in the Circular) and the transactions contemplated thereunder, be and are hereby confirmed, approved and ratified; and
- (ii) any one director of the Company be and is hereby authorized for and on behalf of the Company to execute all such other documents (with or without the affixation of the common seal but to be countersigned by the secretary of the Company or by another director of the Company if the common seal of the Company is required to be affixed thereto), instructions and agreements and to do all such acts and things deemed by him/her to be incidental to, ancillary to, or in connection with the matters contemplated in the Acquisition Agreement.”

(2) “**THAT:**

- (i) the Disposal Agreement (as defined in the Circular) and a copy of which is produced to the meeting marked “B” and initialed by the chairman of the meeting for identification purpose entered into between the Company and CT Bright (as defined in the Circular), pursuant to which the Company conditionally agreed to dispose of the entire issued share capital in Rapid Thrive (as defined in the Circular) at the Disposal Consideration (as defined in the Circular) and the transactions contemplated thereunder, be and are hereby confirmed, approved and ratified; and

NOTICE OF SPECIAL GENERAL MEETING

- (ii) any one director of the Company be and is hereby authorized for and on behalf of the Company to execute all such other documents (with or without the affixation of the common seal but to be countersigned by the secretary of the Company or by another director of the Company if the common seal of the Company is required to be affixed thereto), instructions and agreements and to do all such acts and things deemed by him/her to be incidental to, ancillary to, or in connection with the matters contemplated in the Disposal Agreement.”

By Order of the Board
Arunee Watcharananan
Director

Hong Kong, 19 June 2014

As at the date of this notice, 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 Vittavagarnvej and Mrs. Vatchari Vimooktayon.

Notes:

1. A proxy form for use at the meeting is being dispatched to the shareholders of the Company together with a copy of this notice.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person authorized to sign the same.
3. Any shareholder entitled to attend and vote at the meeting convened by the above notice shall be entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
4. In order to be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong at Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
5. Completion and deposit of the proxy form will not preclude a shareholder of the Company from attending and voting in person at the meeting convened or any adjourned meeting and in such event, the proxy form will be deemed to be revoked.
6. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the meeting, the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand on the register of members of the Company in respect of the joint holding.
7. The votes to be taken at the meeting will be by way of a poll.