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C.P. POKPHAND CO. LTD.

(Incorporated in Bermuda with limited liability)

(Stock Code: 43)

**CONNECTED TRANSACTIONS
IN RELATION TO THE NANTONG AND NINGBO CONSTRUCTION
PROJECT MANAGEMENT CONTRACTS**

On 24 August 2015, CP Food Nantong and CP Food Ningbo, both wholly-owned subsidiaries of the Company, entered into the Nantong Construction Project Management Contract and the Ningbo Construction Project Management Contract respectively to appoint Chia Tai Land and Di Peng as construction project manager for the construction works, equipment installation and fitting out at the respective plants of CP Food Nantong and CP Food Ningbo in the PRC. The project management fees payable to Chia Tai Land by CP Food Nantong and to Di Peng by CP Food Ningbo under the respective contracts are estimated to be about RMB3,600,000 (approximately US\$0.56 million) and RMB11,264,000 (approximately US\$1.75 million) respectively.

As at the date of this announcement, CPF is interested in approximately 47.8% of the Shares in issue and approximately 43.4% 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 Land is an indirect subsidiary of CPG, the transaction contemplated under the Nantong Construction Project Management Contract is treated as if it was a connected transaction of the Company under Chapter 14A of the Listing Rules. Di Peng is indirectly wholly-owned by Mr. Dhanin Chearavanont (chairman and executive director of the Company) and his family members including Mr. Soopakij Chearavanont (vice chairman and executive director of the Company) and Mr. Suphachai Chearavanont (executive director of the Company). Di Peng is therefore a connected person of the Company and the transaction contemplated under the Ningbo Construction Project Management Contract is a connected transaction for the Company under Chapter 14A of the Listing Rules.

Since the Earlier Construction Project Management Contracts and the Nantong and Ningbo Construction Project Management Contracts were entered into by the Group with parties which were connected persons of the Company under Chapter 14A of the Listing Rules and their subject matters are similar, 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 Nantong and Ningbo Construction Project Management Contracts and the Earlier 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.

THE NANTONG AND NINGBO CONSTRUCTION PROJECT MANAGEMENT CONTRACTS

On 24 August 2015, CP Food Nantong and CP Food Ningbo, both wholly-owned subsidiaries of the Company, entered into the Nantong Construction Project Management Contract and the Ningbo Construction Project Management Contract respectively to appoint Chia Tai Land and Di Peng as construction project manager for the construction works, equipment installation, fitting out and related works at the respective plants of CP Food Nantong and CP Food Ningbo in the PRC.

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

Parties

(a) Nantong Construction Project Management Contract

Date : 24 August 2015

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

(b) Ningbo Construction Project Management Contract

Date : 24 August 2015

Parties : (i) CP Food Ningbo, as appointer; and
(ii) Di Peng, as construction project manager

Consideration and Payment:

The project management fee payable under each of the Nantong and Ningbo Construction Project Management Contracts shall be 3% of the total construction cost of the production facilities at the relevant plants. Accordingly, on the basis of the projected construction cost of these new production facilities:

- (i) the project management fee payable to Chia Tai Land by CP Food Nantong under the Nantong Construction Project Management Contract is estimated to be about RMB3,600,000 (approximately US\$0.56 million); and
- (ii) the project management fee payable to Di Peng by CP Food Ningbo under the Ningbo Construction Project Management Contract is estimated to be about RMB11,264,000 (approximately US\$1.75 million).

The project management fee payable under each of the Nantong and Ningbo 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 projects and the project management fees charged by independent third parties for similar projects, and which the Directors believe to be comparable to market price. The consideration under the Nantong and Ningbo Construction Project Management Contracts will be paid in cash by CP Food Nantong and CP Food Ningbo respectively according to the construction progress at the relevant plants and will be funded by the Group's own financial resources.

REASONS FOR AND BENEFITS OF THE NANTONG AND NINGBO CONSTRUCTION PROJECT MANAGEMENT CONTRACTS

Each of CP Food Nantong and CP Food Ningbo had been established to be engaged principally in the production and sale of value-added processed food in the PRC. The Company notes that it is common practice that an experienced construction project manager be engaged to manage and supervise projects of such nature, covering the construction works, equipment installation, fitting out of the plant and other related works to bring the projects into operation. Chia Tai Land is principally engaged in land development, commercial property development, project development, construction management advisory and project management in the PRC. Di Peng is principally engaged in construction design and construction management advice in the PRC. The purpose of entering into the Nantong and Ningbo Construction Project Management Contracts is to leverage on the expertise of Chia Tai Land and Di Peng to help each of CP Food Nantong and CP Food Ningbo 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 Nantong and Ningbo 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 Chia Tai Land, (ii) Mr. Dhanin Chearavanont and Mr. Soopakij Chearavanont (vice chairman and executive director of the Company) have directorship in Chia Tai Land and/or its intermediate holding companies, (iii) Di Peng is indirectly wholly-owned by Mr. Dhanin Chearavanont and his family members including Mr. Soopakij Chearavanont and Mr. Suphachai Chearavanont (executive director of the Company), and (iv) Mr. Soopakij Chearavanont and Mr. Suphachai Chearavanont have directorship in Di Peng's intermediate holding companies, the Board considered that each of Mr. Dhanin Chearavanont, Mr. Soopakij Chearavanont and Mr. Suphachai Chearavanont had a material interest in the transactions contemplated under the Nantong and Ningbo Construction Project Management Contracts. Accordingly, Mr. Dhanin Chearavanont, Mr. Soopakij Chearavanont and Mr. Suphachai Chearavanont abstained from voting on the respective resolutions tabled at the board meeting of the Company held to consider the respective Nantong and Ningbo Construction Project Management Contracts. Other than Mr. Dhanin Chearavanont, Mr. Soopakij Chearavanont and Mr. Suphachai Chearavanont, no other Director was considered to have a material interest in the transactions contemplated under the Nantong and Ningbo Construction Project Management Contracts, and hence no other Director abstained from voting on the respective board resolutions approving the Nantong and Ningbo Construction Project Management Contracts.

INFORMATION ON PARTIES

The Group is principally engaged in (i) the manufacture and sale of animal feed in the PRC and Vietnam, (ii) the breeding, farming and sale of livestock and aquatic animals in Vietnam and (iii) the manufacture and sale of value-added processed food products in Vietnam.

CP Food Nantong and CP Food Ningbo are subsidiaries in the Group established to be engaged principally in the production and sale of value-added processed food in the PRC.

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

Di Peng was incorporated in the PRC in 2003, is indirectly wholly-owned by Mr. Dhanin Chearavanont and his family members including Mr. Soopakij Chearavanont and Mr. Suphachai Chearavanont and is principally engaged in construction design and construction management advice 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 43.4% 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 Land is an indirect subsidiary of CPG, the transaction contemplated under the Nantong Construction Project Management Contract is treated as if it was a connected transaction for the Company under Chapter 14A of the Listing Rules. Di Peng is indirectly wholly-owned by Mr. Dhanin Chearavanont (chairman and executive director of the Company) and his family members including Mr. Soopakij Chearavanont (vice chairman and executive director of the Company) and Mr. Suphachai Chearavanont (executive director of the Company). Di Peng is therefore a connected person of the Company and the transaction contemplated under the Ningbo Construction Project Management Contract is a connected transaction for the Company under Chapter 14A of the Listing Rules.

Reference is made to the previous announcement of the Company dated 18 February 2015 in relation to the Earlier Construction Project Management Contracts. Since the Earlier Construction Project Management Contracts and the Nantong and Ningbo Construction Project Management Contracts were entered into by the Group with connected persons under Chapter 14A of the Listing Rules and their subject matters are similar, 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 Nantong and Ningbo Construction Project Management Contracts and the Earlier 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.

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 the issued share capital 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
“CP Food Nantong”	C.P. Food (Nantong) Co., Ltd., a limited liability company incorporated in the PRC and an indirectly wholly-owned subsidiary of the Company
“CP Food Ningbo”	C.P. Food Enterprise (Ningbo) Co., Ltd., a limited liability company incorporated in the PRC and an indirectly 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% of its issued share capital by the Chearavanont Shareholders
“Di Peng”	帝鵬工程諮詢(上海)有限公司 (Di Peng Construction Consulting (Shanghai) Co., Ltd.), a limited liability company incorporated in the PRC
“Directors”	the directors of the Company
“Earlier Construction Project Management Contracts”	the four contracts previously entered into by the Group which were disclosed and collectively defined as the “Construction Project Management Contracts” in the announcement of the Company issued on 18 February 2015
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Nantong Construction Project Management Contract”	the construction project management contract entered into between CP Food Nantong and Chia Tai Land, whereby Chia Tai Land was appointed as construction project manager to supervise the construction works, equipment installation, fitting out and related works at the plant of CP Food Nantong in the PRC
“Ningbo Construction Project Management Contract”	the construction project management contract entered into between CP Food Ningbo and Di Peng, whereby Di Peng was appointed as construction project manager to supervise the construction works, equipment installation, fitting out and related works at the plant of CP Food Ningbo in the PRC
“Nantong and Ningbo Construction Project Management Contracts”	the Nantong Construction Project Management Contract and the Ningbo Construction Project Management Contract collectively
“PRC”	the People’s Republic of China, excluding for the purpose of this announcement the Hong Kong Special Administrative Region, 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

By Order of the Board
Arunee Watcharananan
Director

Hong Kong, 24 August 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 = RMB6.45.

As at the date of this announcement, the Board comprises eight executive directors, namely, Mr. Dhanin Chearavanont, Mr. Adirek Sripratak, 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 Vittavassarnvej and Mrs. Vatchari Vimooktayon.