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C.P. POKPHAND CO. LTD.

(Incorporated in Bermuda with limited liability)

(Stock Code: 43)

**CONNECTED TRANSACTIONS
IN RELATION TO THE EQUIPMENT PROCUREMENT
AND INSTALLATION CONTRACTS**

THE EQUIPMENT PROCUREMENT AND INSTALLATION CONTRACTS

On 11 September 2019, the following subsidiaries of the Company entered into the following contracts (the “Equipment Procurement and Installation Contracts”) with Shanghai Zheng Cheng to procure and install equipment at the new or replacement feedmill production facilities which are being developed by the subsidiaries in the PRC:

<u>Subsidiary</u>	<u>Contract</u>	<u>Location of Feedmill</u>
Chia Tai Feed Dongying	Dongying Contract	Shandong Province
Chia Tai Feed Yiwu	Yiwu Contract	Zhejiang Province
Mianyang Chia Tai	Mianyang Contract	Sichuan Province
Ningbo Chia Tai Agriculture	Ningbo Contract	Zhejiang Province

LISTING RULES IMPLICATIONS

As explained in the section headed “Listing Rules Implications” below, the transactions contemplated under the Equipment Procurement and Installation Contracts are treated as connected transactions of the Company under the Listing Rules and are subject to certain compliance requirements under the Listing Rules.

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Mianyang Chia Tai	Mianyang Contract	Sichuan Province
Ningbo Chia Tai Agriculture	Ningbo Contract	Zhejiang Province

The contract sum under each of the respective Equipment Procurement and Installation Contracts will be paid in cash in instalments according to the progress of the delivery and installation of equipment at the relevant facility and will be funded by the Group's internal resources.

The contract sum payable to Shanghai Zheng Cheng under each of the Equipment Procurement and Installation Contracts is as follows:

<u>Contract</u>	<u>Contract Sum</u>
Dongying Contract	RMB30,000,000 (equivalent to approximately US\$4,267,400)
Yiwu Contract	RMB29,000,000 (equivalent to approximately US\$4,125,200)
Mianyang Contract	RMB31,400,000 (equivalent to approximately US\$4,466,600)
Ningbo Contract	RMB72,650,000 (equivalent to approximately US\$10,334,300)

REASONS FOR AND BENEFITS OF THE EQUIPMENT PROCUREMENT AND INSTALLATION CONTRACTS

To relocate certain facilities due to urban development and to strengthen the Group's feed business, a number of subsidiaries of the Company are developing new or replacement feedmill production facilities in various provinces in the PRC and suitable production equipment is required to be procured by and installed at the relevant facilities. A public tender was conducted for the procurement and installation of equipment meeting certain specifications for the new or replacement feedmill production facility being developed by each of the four relevant subsidiaries. Bidders were assessed based on a systematic scoring on selection criteria including industry know-how, technological know-how, equipment, facilities, personnel and practical experience. Each of the Equipment Procurement and Installation Contracts was awarded to Shanghai Zheng Cheng based on the highest total score and the most favourable prices offered among all bidders. The terms to be entered into with Shanghai Zheng Cheng were no less favourable to the Group than the terms offered by other bidders which were independent third parties.

The Directors (including the independent non-executive Directors) believe that each of the Equipment Procurement and Installation Contracts is on normal commercial terms and has been entered into in the ordinary and usual course of business of the Group, and that the terms of each of the Equipment Procurement and Installation Contracts are fair and reasonable and the transactions thereunder are in the best interests of the Company and the Shareholders as a whole.

The Board considered that each of Mr. Soopakij Chearavanont (chairman and executive director of the Company), Mr. Adirek Sripratak, Mr. Suphachai Chearavanont (both vice chairmen and executive directors of the Company), Mr. Narong Chearavanont and Mrs. Arunee Watcharananan (both executive directors of the Company) had a material interest in the transactions contemplated under the Equipment Procurement and Installation Facility Contracts in view of their respective shareholdings in CPG, and accordingly those of them who attended the relevant Board meeting abstained from voting on the resolutions relating to the Equipment Procurement and Installation Contracts.

INFORMATION ON THE PARTIES

The Company is an investment holding company. The subsidiaries of the Company are principally engaged, in the PRC and Vietnam, in (i) manufacture and sale of animal feed, (ii) breeding, farming and sale of livestock and (in Vietnam only) aquatic animals, and (iii) manufacture and sale of value-added, processed food products.

Each of Chia Tai Feed Dongying, Chia Tai Feed Yiwu, Mianyang Chia Tai and Ningbo Chia Tai Agriculture is a subsidiary of the Company and is principally engaged in the manufacture and sale of animal feed in the PRC.

Shanghai Zheng Cheng is a subsidiary of CPG and is principally engaged in agri-food related equipment manufacture, procurement and installation and construction contracting in the PRC.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CPF is interested in approximately 49.44% of the Shares in issue and CPG is interested in approximately 48.94% of the issued share capital of CPF. Due to CPG's near majority shareholding in CPF, the Company and CPG have agreed to treat CPG as a substantial shareholder of the Company. Accordingly CPG and its subsidiaries and their respective associates are treated as connected persons of the Company. As Shanghai Zheng Cheng is a subsidiary of CPG, each of the transactions contemplated under the Equipment Procurement and Installation Contracts is treated as a connected transaction of the Company under the Listing Rules.

Since each of the Equipment Procurement and Installation Contracts was entered into between a subsidiary of the Group and Shanghai Zheng Cheng and relates to the procurement and installation of equipment to be installed at a new or replacement feedmill production facility being developed by that subsidiary. The Company has aggregated these transactions and treated them as if they were one transaction. As all of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transactions under the Equipment Procurement and Installation Contracts in aggregate are more than 0.1% but less than 5%, the transactions are subject to reporting and announcement requirements but are exempted from the circular (including independent financial advice) and independent 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:

“associates”	has the meaning ascribed to this term in the Listing Rules
“Board”	the board of directors of the Company
“Chia Tai Feed Dongying”	正大飼料東營有限公司 (Chia Tai Feed Dongying Co., Ltd.), a limited company incorporated in the PRC and a subsidiary of the Company
“Chia Tai Feed Yiwu”	正大飼料（義烏）有限公司 (Chia Tai Feed (Yiwu) Co., Ltd.), a limited company incorporated in the PRC and a subsidiary of the Company
“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
“connected persons”	has the meaning ascribed to this term in the Listing Rules
“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
“Directors”	the directors of the Company
“Dongying Contract”	the contract dated 11 September 2019 entered into between Chia Tai Feed Dongying and Shanghai Zheng Cheng, pursuant to which Chia Tai Feed Dongying has engaged Shanghai Zheng Cheng to procure and install equipment at new feedmill production facility in Shandong province, the PRC being developed by Chia Tai Feed Dongying
“Equipment Procurement and Installation Contracts”	collectively, the Dongying Contract, the Yiwu Contract, the Mianyang Contract and the Ningbo Contract
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Mianyang Chia Tai”	綿陽正大有限公司 (Mianyang Chia Tai Co., Ltd.), a limited company incorporated in the PRC and a subsidiary of the Company
“Mianyang Contract”	the contract dated 11 September 2019 entered into between Mianyang Chia Tai and Shanghai Zheng Cheng, pursuant to which Mianyang Chia Tai has engaged Shanghai Zheng Cheng to procure and install equipment at replacement feedmill production facility in Sichuan province, the PRC being developed by Mianyang Chia Tai
“Ningbo Chia Tai Agriculture”	寧波正大農業有限公司 (Ningbo Chia Tai Agriculture Co., Ltd.), a limited company incorporated in the PRC and a subsidiary of the Company
“Ningbo Contract”	the contract dated 11 September 2019 entered into between Ningbo Chia Tai Agriculture and Shanghai Zheng Cheng, pursuant to which Ningbo Chia Tai Agriculture has engaged Shanghai Zheng Cheng to procure and install equipment at replacement feedmill production facility in Zhejiang province, the PRC being developed by Ningbo Chia Tai Agriculture
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Zheng Cheng”	上海正誠機電製造有限公司 (Shanghai Zhengcheng Mechanical-Electrical Manufacturing Co., Ltd.), a limited liability company incorporated in the PRC and a subsidiary of CPG
“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

“Yiwu Contract”

the contract dated 11 September 2019 entered into between Chia Tai Feed Yiwu and Shanghai Zheng Cheng, pursuant to which Chia Tai Feed Yiwu has engaged Shanghai Zheng Cheng to procure and install equipment at new feedmill production facility in Zhejiang province, the PRC being developed by Chia Tai Feed Yiwu

By Order of the Board
Arunee Watcharananan
Director

Note: For the purpose of this announcement, the exchange rate for the conversion of US\$ into RMB is US\$1 = RMB7.0 for indication only.

Hong Kong, 11 September 2019

As at the date of this announcement, the Board comprises eight executive directors, namely, Mr. Soopakij Chearavanont, Mr. Adirek Sripratak, Mr. Suphachai Chearavanont, Mr. Narong Chearavanont, Mr. Bai Shanlin, Mr. Sooksunt Jiumjaiswanglerg, Mrs. Arunee Watcharananan and Mr. Yu Jianping; two non-executive directors, namely, Mr. Meth Jiaravanont and Mr. Yoichi Ikezoe; and five independent non-executive directors, namely, Mr. Andrew Ma Chiu Cheung, Mr. Sombat Deo-isres, Mr. Sakda Thanitcul, Mr. Vinai Vittavasgarnvej and Mrs. Vatchari Vimooktayon.