

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



C.P. POKPHAND CO. LTD.

(Incorporated in Bermuda with limited liability)
(Stock Code: 43)

**CONNECTED TRANSACTION
IN RELATION TO THE CHUZHOU CONSTRUCTION CONTRACT**

CONNECTED TRANSACTION IN RELATION TO THE CHUZHOU CONSTRUCTION CONTRACT

On 7 December 2018, Chuzhou Chia Tai, a subsidiary of the Company, entered into the Chuzhou Construction Contract with Shanghai Zheng Cheng, pursuant to which Chuzhou Chia Tai has agreed to engage Shanghai Zheng Cheng as the contractor to carry out the construction works and to procure and install equipment with respect to a feed factory in Anhui province, the PRC, which is being developed by Chuzhou Chia Tai, for a total consideration of RMB67,000,000 (approximately US\$9,626,000).

LISTING RULES IMPLICATIONS

As at the date of this announcement, CPF is interested in approximately 47.8% of the Shares in issue and CPG is interested in approximately 49.11% 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, and accordingly CPG, its subsidiaries and their respective associates are treated as connected persons of the Company. As Shanghai Zheng Cheng is a subsidiary of CPG, the Transaction is treated as a connected transaction of the Company under the Listing Rules.

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Transaction are more than 0.1% but less than 5%, the Transaction is subject to reporting and announcement requirements but are exempted from circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTION IN RELATION TO THE CHUZHOU CONSTRUCTION CONTRACT

On 7 December 2018, Chuzhou Chia Tai, a subsidiary of the Company, entered into the Chuzhou Construction Contract with Shanghai Zheng Cheng, pursuant to which Chuzhou Chia Tai has agreed to engage Shanghai Zheng Cheng as the contractor to carry out the construction works and to procure and install equipment with respect to a feed factory in Anhui province, the PRC, which is being developed by Chuzhou Chia Tai, for a total consideration of RMB67,000,000 (approximately US\$9,626,000).

The key terms of the Chuzhou Construction Contract are summarised below:

(a) Date

7 December 2018

(b) Parties

- (i) Chuzhou Chia Tai
- (ii) Shanghai Zheng Cheng

(c) Scope of services

Shanghai Zheng Cheng shall be responsible for the construction of a feed factory which is being developed by Chuzhou Chia Tai in Anhui province, the PRC with a planned annual capacity of 180,000 metric tons, together with storage facilities, ancillary buildings and infrastructure facilities, and the procurement and installation of feed processing equipment at the factory.

(d) Contract sum

Chuzhou Chia Tai shall pay a fixed price in the aggregate amount of RMB67,000,000 (equivalent to approximately US\$9,626,000) for the construction works and the feed processing equipment procurement and installation.

(e) Construction period and completion

The construction period is 360 days, commencing from the date of issue of the construction permit. Upon completion of the construction and fitting out works, Chuzhou Chia Tai may inspect and test the equipment for up to 20 days before certifying the completion of the construction.

(f) Payment terms

Chuzhou Chia Tai shall pay Shanghai Zheng Cheng in accordance with the progress of the construction. The contract sum will be funded by the Group's internal resources.

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.

Chuzhou Chia Tai 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, equipment installation and construction contracting in the PRC.

REASONS FOR AND BENEFITS OF THE CHUZHOU CONSTRUCTION CONTRACT

To strengthen the Group's feed business, Chuzhou Chia Tai is developing a new feed factory in Anhui province, the PRC. A public tender was conducted for the construction and related works. Bidders were assessed based on a systematic scoring on selection criteria including industry know-how, technological know-how, equipment, facilities, personnel and practical experience. Chuzhou Chia Tai awarded the Chuzhou Construction Contract to Shanghai Zheng Cheng based on the highest total score and the most favourable price offered. The terms of the Chuzhou Construction Contract were no less favourable to the Company than the terms offered by other bidders which were independent third parties.

The Directors (including the independent non-executive Directors) are of the view that the Chuzhou Construction Contract is on normal commercial terms and is entered into in the ordinary and usual course of business of the Group, and that the terms of the Chuzhou Construction Contract are fair and reasonable and the Transaction is in the interests of the Company and the Shareholders as a whole.

The Board considered that each of Mr. Dhanin Chearavanont (chairman and executive director of the Company), Mr. Adirek Sripratak, Mr. Soopakij Chearavanont (both vice chairmen and executive directors of the Company), Mr. Suphachai Chearavanont and Mrs. Arunee Watcharananan (both executive directors of the Company) had a material interest in the Transaction in view of their respective shareholdings in CPG, and accordingly all of them had abstained from voting on the resolutions relating to the Chuzhou Construction Contract.

Save as disclosed above, none of the other Directors had any material interest in the Transaction and was required to abstain from voting on the board resolution for approving the Chuzhou Construction Contract.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CPF is interested in approximately 47.8% of the Shares in issue and CPG is interested in approximately 49.11% 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, and accordingly CPG, its subsidiaries and their respective associates are treated as connected persons of the Company. As Shanghai Zheng Cheng is a subsidiary of CPG, the Transaction is treated as a connected transaction of the Company under the Listing Rules.

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Transaction are more than 0.1% but less than 5%, the Transaction is subject to reporting and announcement requirements but are exempted from 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:

“associates”	has the meaning ascribed to this term in the Listing Rules
“Board”	the board of directors of the Company
“Chuzhou Chia Tai”	Chuzhou Chia Tai Co., Ltd., a limited liability company incorporated in the PRC and a subsidiary of the Company

“Chuzhou Construction Contract”	the construction contract dated 7 December 2018 entered into between Chuzhou Chia Tai and Shanghai Zheng Cheng, pursuant to which Chuzhou Chia Tai engaged Shanghai Zheng Cheng as the contractor to carry out construction and procurement work of a feed factory in Anhui province, the PRC
“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
“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
“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”	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
“Transaction”	the transaction contemplated under the Chuzhou Construction Contract

“US\$”

United States dollars, the lawful currency of the United States of America

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 = RMB6.96 for indication only.

Hong Kong, 7 December 2018

As at the date of this announcement, the Board comprises eight executive directors, namely, Mr. Dhanin Chearavanont, Mr. Adirek Sripratak, Mr. Soopakij Chearavanont, Mr. Suphachai 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.