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C.P. POKPHAND CO. LTD.

(Incorporated in Bermuda with limited liability)

(Stock Code:43)

**CONNECTED TRANSACTIONS
PROJECT MANAGEMENT CONTRACTS**

During the period between 10 April 2020 and 24 August 2020, a number of subsidiaries of the Company entered into certain project management contracts with Chia Tai Handing to appoint Chia Tai Handing as the project manager to manage the development projects at food production facilities which are being developed by these subsidiaries in the PRC.

LISTING RULES IMPLICATIONS

As explained in the section headed “Listing Rules Implications” below, the transactions contemplated under the Project Management Contracts are treated as connected transactions of the Company under the Listing Rules and are subject to certain reporting and announcement requirements under the Listing Rules.

PROJECT MANAGEMENT CONTRACTS

During the period between 10 April 2020 and 24 August 2020, the following subsidiaries of the Company entered into project management contracts with Chia Tai Handing to appoint Chia Tai Handing as the project manager to manage the development projects at their food production facilities which are being developed in the PRC. The amount of the management fee payable under each of such contracts is set out below:

<u>Date</u>	<u>Subsidiary</u>	<u>Project management fee</u> <i>(approximate amounts)</i>
10 April 2020	CP Food Enterprise (Qinhuangdao) Co., Ltd.	RMB452,000 (approximately US\$65,000)
15 April 2020	Chia Tai Food Enterprise (Qingdao) Co., Ltd.	RMB934,000 (approximately US\$134,000)
19 May 2020	Jilin Chia Tai Food Co. Ltd.	RMB152,000 (approximately US\$22,000)
25 May 2020	C.P. Food (Nantong) Co., Ltd.	RMB149,000 (approximately US\$21,000)
29 May 2020	Chia Tai Food (Suqian) Co., Ltd.	RMB3,559,000 (approximately US\$508,000)
7 June 2020	C.P. Food (Zhanjiang) Co., Ltd.	RMB324,000 (approximately US\$46,000)
8 June 2020	Fujian Chia Tai Food Co., Ltd.	RMB229,000 (approximately US\$33,000)
8 June 2020	Fujian Hetai Agro-Industry Co., Ltd.^	RMB1,020,000 (approximately US\$146,000)
8 June 2020	Longyan Baotai Agro-Industry Co., Ltd.^	RMB213,000 (approximately US\$30,000)
8 June 2020	Longyan Chai Tai Co., Ltd.^	RMB349,000 (approximately US\$50,000)
10 June 2020	Hubei Chia Tai Co., Ltd.	RMB866,000 (approximately US\$124,000)
24 August 2020	Longyan Chia Tai Co., Ltd.^	RMB19,200,000 (approximately US\$2,743,000)

The project management fee under the respective Project Management Contracts is payable in cash according to the completion progress of that particular project and will be funded by the Group's internal resources. The project management fee payable under each of the Project Management Contracts is equivalent to 3% of the total cost of that particular project.

INFORMATION ON 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 aqua animals, and (iii) manufacture and sale of food products.

Each of the subsidiaries of the Company which entered into the Project Management Contracts is principally engaged in the manufacture and sale of food products in the PRC.

Chia Tai Handing is a subsidiary of CPG, principally engaged in the management advisory, project management and technical advisory business for development projects in the PRC. It has past experience in providing project management services to the Group and is familiar with the Group's operational requirements and quality standards.

REASONS FOR AND BENEFITS OF THE PROJECT MANAGEMENT CONTRACTS

It is common practice for PRC companies in the food production industry developing new production facilities to engage an experienced project manager to manage the projects. Many subsidiaries of the Company in the PRC engaged in the food production industry are developing or planning to develop new production facilities at new plants or add new production facilities at existing plants to expand production capacity. For each project, the subsidiary involved will appoint a project manager to carry out project management.

The relevant subsidiaries in the Group conducted public tenders to select the project manager for each project. Bidders were assessed based on their score achieved using a number of selection criteria including price, know-how, capabilities, commitment, personnel and experience. Following the public tender and assessment process, the Project Management Contracts were eventually awarded to Chia Tai Handing. It was selected based on achieving the highest total score among all bidders. The terms of the Project Management Contracts entered into with Chia Tai Handing were no less favourable to the Group than the terms offered by other bidders which were independent third parties.

The Board considered that each of Mr. Soopakij Chearavanont (chairman and an executive director of the Company), Mr. Adirek Sripratak, Mr. Suphachai Chearavanont (each a vice chairman and an executive director of the Company), Mr. Narong Chearavanont and Mrs. Arunee Watcharananan (each an executive director of the Company) who attended the relevant Board meeting had a material interest in the transactions contemplated under the Project Management Contracts in view of their respective shareholdings in CPG, being the holding company of Chia Tai Handing. Accordingly, they abstained from voting on the resolutions relating to the approval of the Longyan Contract and the ratification of the other Project Management Contracts.

Save as disclosed above, none of the other Directors who attended the relevant meeting of the Board had a material interest in the transactions contemplated under the Project Management Contracts, and hence none of the other Directors abstained from voting on the board resolutions for approving and ratifying the Project Management Contracts.

The Directors (including the independent non-executive Directors but excluding those Directors mentioned above who the Board considered to have a material interest in the transactions) believe that each of the Project Management 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 Project Management Contracts are fair and reasonable and that the transactions are in the best interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CPF is interested in approximately 49.7% of the Shares in issue and CPG holds approximately 48.4% 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 Chia Tai Handing is a subsidiary of CPG, each of the transactions contemplated under the Project Management Contracts is treated as a connected transaction of the Company under the Listing Rules.

Each of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Project Management Contracts except the Longyan Contract signed on 24 August 2020 were, on an aggregated basis, less than 0.1% at the time they were entered into between 10 April 2020 to 10 June 2020. Accordingly, the transactions under these contracts were exempt from the reporting, announcement, circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

With the signing of the Longyan Contract on 24 August 2020, the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transactions under both the previously signed Project Management Contracts and the Longyan Contract, on an aggregated basis, more than 0.1% but less than 5%. Accordingly, the transactions under all of the Project Management Contracts 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.

“associates”	has the meaning ascribed to this term in the Listing Rules
“Board”	the board of Directors of the Company
“Chia Tai Handing”	正大漢鼎現代農業科技有限公司 (Chia Tai Handing Modern Agricultural Technology Co., Ltd. [^]) (formerly known as 正大漢鼎工程管理有限公司 (Chia Tai Handing Engineering Management Co., Ltd. [^])), a limited liability company incorporated in the PRC and an indirect subsidiary of CPG
“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 incorporated in the Kingdom of Thailand whose shares are listed and traded on the Stock Exchange of Thailand
“CPG”	Charoen Pokphand Group Company Limited, a company incorporated in the Kingdom of Thailand, which has a diverse shareholding structure with more than 80 shareholders, the largest of which is a company holding not more than 13% of its shares and the ultimate beneficial owner of which is Mr. Sumet Jiaravanon
“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
“Longyan Contract”	the project management contract dated 24 August 2020 between Longyan Chia Tai Co., Ltd., a subsidiary of the Company in the PRC and Chia Tai Handling, under which Chia Tai Handling was appointed the project manager for the food production facilities being developed by Longyan Chia Tai Co., Ltd. in the PRC
“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
“Project Management Contracts”	collectively, the project management contracts (including the Longyan Contract) for the relevant production facilities, further details of which are set out in the section above headed “Project Management Contracts”
“RMB”	Renminbi, the lawful currency of the PRC
“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

^ For identification purpose only.

By Order of the Board
Arunee Watcharananan
Director

Note: For the purpose of this announcement, the exchange rate for the conversion of RMB into US\$ for indication only is: US\$1.0 = RMB7.0.

Hong Kong, 24 August 2020

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. Vinai Vittavasgarnvej, Mrs. Vatchari Vimooktayon, Mr. Cheng Yuk Wo, Professor Dr. Pongsak Angkasith and General Udomdej Sitabutr.