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C.P. POKPHAND CO. LTD.

(Incorporated in Bermuda with limited liability)

(Stock Code: 43)

**CONTINUING CONNECTED TRANSACTION
IN RELATION TO
THE OFFICE TENANCY AGREEMENT**

OFFICE TENANCY AGREEMENT

On 10 April 2020, CTI, an indirect wholly-owned subsidiary of the Company, entered into the Office Tenancy Agreement with CPQS, an indirect subsidiary of CPG, pursuant to which CTI would rent the Premises which are part of a property owned and developed by CPQS.

Further particulars of this agreement are set out in the section “Office Tenancy Agreement” below.

LISTING RULES IMPLICATIONS

As explained in the section “Listing Rules Implications” below, the transactions contemplated under the Office Tenancy Agreement are treated as continuing connected transactions of the Company under the Listing Rules and are subject to certain compliance requirements under the Listing Rules.

OFFICE TENANCY AGREEMENT

On 10 April 2020, CTI, an indirect wholly-owned subsidiary of the Company, entered into the Office Tenancy Agreement with CPQS, an indirect subsidiary of CPG, pursuant to which CTI would rent the Premises owned and developed by CPQS. The major terms of the Office Tenancy Agreement are summarised below:

(a) Date

10 April 2020

(b) Parties

- (i) CPQS (as lessor)
- (ii) CTI (as lessee)

(c) Subject matter

CPQS agreed to lease and CTI agreed to rent the Premises as office premises for use by CTI and its subsidiaries.

(d) Leased premises

The total leased area of the Premises is approximately 5,112.65 square meters, which comprises Level 40 and Level 41 of CP Center, Chaoyang District, Beijing.

(e) Rental

The table below sets out the monthly rental payable by CTI under the Office Tenancy Agreement:

	Monthly rental		Per square meter	
<i>10 April 2020 to 9 April 2021</i>	RMB1,354,852.25	(approximately US\$192,177.62)	RMB265	(approximately US\$37.59)
<i>10 April 2021 to 9 October 2022</i>	RMB2,709,704.50	(approximately US\$384,355.25)	RMB530	(approximately US\$75.18)
<i>10 October 2022 to 9 April 2023</i>	RMB1,354,852.25	(approximately US\$192,177.6)	RMB265	(approximately US\$37.59)

The monthly rentals for the respective periods from 10 April 2020 to 9 April 2021 and from 10 October 2022 to 9 April 2023 are at a reduced rate for renovation purposes.

Based on the above monthly rental, the total amount payable in respect of each calendar year covered by the rental period of 10 April 2020 to 9 April 2023 will be as follows:

		Amount Rental Payable	
2020	(10 April to 31 December)	RMB11.78 million	(approximately US\$1.67 million)
2021	(1 January to 31 December)	RMB28.01 million	(approximately US\$3.97 million)
2022	(1 January to 31 December)	RMB28.88 million	(approximately US\$4.10 million)
2023	(1 January to 9 April)	RMB4.47 million	(approximately US\$0.63 million)

(f) Payment terms

The monthly rental is payable by CTI to CPQS on the 25th day of each month in advance for the following month.

(g) Security deposit

CTI is required to pay a security deposit of RMB8,773,307.40 (approximately US\$1,244,440.77), within three working days upon entering into the Office Tenancy Agreement, to CPQS, which is returnable without interest upon expiry of the Office Tenancy Agreement.

(h) Term

The Office Tenancy Agreement took effect from 10 April 2020 and continue until 9 April 2023.

(i) Other outgoings

Other outgoings such as property management fees and public utilities are payable by CTI as lessee.

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 products, (ii) breeding, farming and sale of livestock and (in Vietnam only) aquatic animals, and (iii) manufacture and sale of food products.

CTI, being the lessee under the Office Tenancy Agreement, is a company incorporated in the PRC and a subsidiary of the Company, which is the holding company for the Group's agri-food companies in the PRC.

CPQS, is a non-wholly owned subsidiary of CPG, which is a company incorporated in the PRC and is the owner of CP Center.

CPG is an investment holding company incorporated under the laws of the Kingdom of Thailand.

REASONS FOR ENTERING INTO THE OFFICE TENANCY AGREEMENT

CP Center is a Grade A commercial complex located in prime central business district in Chaoyang District, Beijing. It has been developed by CPQS for leasing to third parties and to other CPG group entities. Construction of CP Center was completed in June 2019 and the office floors are being made available for leasing in phases.

The entering into the Office Tenancy Agreement enables the Group to enhance overall efficiency by taking up tenancy in a new, advanced office tower and relocating with other CPG group entities into the same building.

The rent is determined at arm's length negotiation and is calculated on the basis of the prevailing market rent for comparable commercial properties near the CP Center. The rent and the terms under the Office Tenancy Agreement are not less favourable than those offered by independent third party lessors for the nearby area or in the same building.

The Directors (including the independent non-executive Directors) are of the view that the Office Tenancy Agreement is on normal commercial terms, is entered into in the ordinary and usual course of business of the Group, and that the terms of the Office Tenancy Agreement are fair and reasonable and the transactions are in the 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 (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) had a material interest in the transactions contemplated under the Office Tenancy Agreement 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 Office Tenancy Agreement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CPF is interested in approximately 49.74% of the Shares in issue and CPG is interested in approximately 48.44% 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, and its associates are treated as connected persons of the Company. The transaction between CPQS and CTI under the Office Tenancy Agreement is therefore treated as continuing connected transaction of the Company and the annual rentals payable represent annual caps for such transaction under the Listing Rules.

As the applicable percentage ratios under Rule 14.07 of the Listing Rules for the highest amount of annual rental payable under the Office Tenancy Agreement, being the annual rental payable in respect of 2022, are more than 0.1% but less than 5%, the transaction under the Office Tenancy Agreement is subject to the reporting and announcement requirements but is exempt from the circular (including independent

financial advice) and the 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
“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
“CP Center”	正大中心 (CP Center), situated at Guanghai Road, Chaoyang District, Beijing
“CPF”	Charoen Pokphand Foods Public Company Limited, a company incorporated 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 incorporated under the laws of 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
“CPQS”	正大僑商房地產開發有限公司(CPQS Realty and Development Co., Ltd.), a limited liability company incorporated in the PRC and a subsidiary of CPG
“CTI”	正大股份有限公司 (Chia Tai Investment Limited), a limited liability company incorporated in the PRC and subsidiary of the Company
“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
“Office Tenancy Agreement”	a tenancy agreement dated 10 April 2020, entered into by CPQS (as lessor) and CTI (as lessee), pursuant to which CTI would rent the Premises with a term of three years from 10 April 2020 to 9 April 2023
“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
“Premises”	Levels 40 and 41 of CP Center
“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
“substantial shareholder”	has the meaning ascribed to this term in the Listing Rules

“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 for indication only is: US\$1.0 = RMB7.05.

Hong Kong, 10 April 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 six independent non-executive directors, namely, Mr. Ma Andrew Chiu Cheung, Mr. Sombat Deo-isres, Mr. Sakda Thanitcul, Mr. Vinai Vittavasgarnvej, Mrs. Vatchari Vimooktayon and Mr. Cheng Yuk Wo.