

**Information Memorandum Concerning the Connected Transactions disclosed pursuant to  
Clause 16 of the Notification of the Stock Exchange of Thailand**

---

**(1) Transaction 1 : The Acquisition of Entire Investment in Kaifeng Chia Tai Co., Ltd.**

**1. Transaction Date**

Chia Tai (China) Investment Co., Ltd. ("CTCI"), an indirect wholly owned subsidiary of C.P. Pokphand Co., Ltd. ("CPP")<sup>4</sup>, will purchase entire investment in Kaifeng Chia Tai Co., Ltd. ("Kaifeng") from Chia Tai (China) Agro-Industrial Ltd. ("CTA") upon the fulfillment of the other conditions precedent as stated in Section 10 below.

**2. Parties involved and their relationship with CPF**

**Purchaser** : CTCI  
**Seller** : CTA  
**Relationship with the Company** : Both CTA and CPF have Chearavanont family as an ultimate major shareholder

**3. General Characteristic of the Transaction, Transaction Size and Connected Transactions**

3.1 General Characteristic of the Transaction

CTCI entered into an agreement to acquire the entire investment in Kaifeng at the total consideration of RMB 311 million or approximately THB 1,642 million<sup>5</sup> from CTA. After the completion of the acquisition, Kaifeng will become an indirect subsidiary of CPF.

3.2 Calculation of Size of the Transaction

The acquisition of entire investment in Kaifeng is considered as a connected transaction in accordance with the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (the "Rules on Connected Transactions"). The transaction size is equivalent to 3.5% of net tangible assets of CPF and its subsidiaries based on the latest reviewed financial statement as of March 31, 2014. Therefore, CPF is required to obtain shareholder approval prior to entering into this connected transaction.

**4. Details of the Assets to be Acquired**

4.1 Business Description

Kaifeng, registered and incorporated in China, engages in production and sale of animal feed in China.

---

<sup>4</sup> A subsidiary of CPF in which CPF directly and indirectly held 70.85% of its total issued common shares

<sup>5</sup> For reference purpose, the exchange rate is THB 5.28125 = RMB 1

4.2 Key Financial Information of Kaifeng

	For the Year ended December 31,					
	2011		2012		2013	
	M. RMB	M. THB <sup>6</sup>	M. RMB	M. THB <sup>6</sup>	M. RMB	M. THB <sup>6</sup>
Total Revenues	648	3,422	695	3,459	647	3,417
Gross Profit	77	407	91	481	98	518
Net Profit	23	121	27	143	29	153
Total Assets	148	782	109	576	129	681
Total Liabilities	172	908	105	555	96	507
Total Equities	(24)	(127)	4	21	33	174

Source: Audited Financial Statement of Kaifeng by auditor

4.3 Paid-up Capital

Current paid-up capital of Kaifeng is USD 10 million.

4.4 Investment structure

Investors	Investment Percentage	
	Pre-Transaction	Post-Transaction
CTA	100.00	-
CTCI	-	100.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

**5. Basis to Determine the Value of Consideration**

Value of the asset to be acquired was determined on the arm's length negotiation between the purchaser and the seller by using the Price to Earnings multiple of 10.7 times which is the same multiple for the China feed business acquisition by CPP in 2009 and the independent financial advisor for that transaction opined such transaction was appropriate.

**6. Transaction Size**

The transaction size is equivalent to 3.5% of net tangible assets of CPF and its subsidiaries based on the latest reviewed financial statements as of March 31, 2014.

**7. Details and Scope of Interest of Connected Person**

- Both CTA and CPF have Chearavanont family as an ultimate major shareholder.
- CTA has interest in the sale of entire investment in Kaifeng to CTCI by receiving RMB 311 million or approximately THB 1,642 million in return.

**8. Directors with Conflict of Interest**

In considering the acquisition of entire investment in Kaifeng transaction which is considered as a connected transaction, the director with a conflict of interest who has no right to vote and did not attend the meeting is Mr. Dhanin Chearavanont

**9. Sources of Fund**

Cash flow of CPP group

**10. Conditions Precedent**

This transaction is considered a connected transaction under the listing rule of the Stock Exchange of Hong Kong Limited which CPP's shareholder approval is required and under the Rules on Connected Transactions which CPF's shareholder approval is required.

In addition, the acquisition of investment in Kaifeng will be conditional upon the completion of conditions precedent as stipulated in the relevant agreements and related documents, for example, the registration with the relevant government authority to change the name of investor to CTCI in the business license of Kaifeng.

<sup>6</sup> For reference purpose, the exchange rate is Baht 5.28125 = RMB 1

**11. *Opinion of the Board of Directors***

The Board of Directors (excluding director with a conflict of interest as mentioned in Section 8.) considered and viewed that this transaction is reasonable and beneficial to CPF since it will allow the company to increase its feed production capacity in China and further reinforce the Group's leading position in the feed industry. The Board of Directors' Meeting of CPF opined that the basis used to determine total consideration of this transaction is appropriate.

**12. *Opinion of Directors and/or the Audit Committee which is Different from the Opinion of the Board of Directors***

Directors and the Audit Committee of CPF has no different opinion from the Board of Directors.

**13. *Distribution of the invitation for the EGM***

CPF will send the invitation for the Extraordinary General Shareholders' Meeting No. 1/2014 and the opinion of the Independent Financial Advisor to the Office of the Securities and Exchange Commission at least 5 business days before sending them to the shareholders. It will also send these documents to the shareholders at least 14 days before the meeting date.

## (2) Transaction 2 : The Disposal of Entire Investment in Rapid Thrive Limited

### 1. Transaction Date

C.P. Pokphand Co., Ltd. ("CPP")<sup>7</sup> will dispose entire investment in Rapid Thrive Limited ("Rapid Thrive"), a direct wholly owned subsidiary of CPP, upon the fulfillment of the other conditions precedent as stated in Section 10 below.

### 2. Parties involved and their relationship with CPF

**Purchaser** : CT Bright Holdings Limited ("CT Bright")  
**Seller** : CPP  
**Relationship with the Company** : CT Bright is an indirect wholly owned subsidiary of Charoen Pokphand Group Co., Ltd. ("CPG") which is a major shareholder of CPF

### 3. General Characteristic of the Transaction, Transaction Size and Connected Transaction

#### 3.1 General Characteristic of the Transaction

CPP entered into an agreement to dispose the entire investment in Rapid Thrive (comprises all shares held in Rapid Thrive and shareholder's loan to Rapid Thrive) at the total consideration of USD 49.5 million or approximately THB 1,618 million<sup>8</sup> to CT Bright. After the completion of the disposal, Rapid Thrive and its subsidiary will no longer be a subsidiary of CPF.

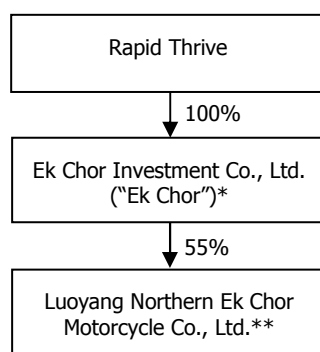
#### 3.2 Calculation of Size of the Transaction

The disposal of entire investment in Rapid Thrive is considered as a connected transaction in accordance with the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (the "Rules on the Connected Transactions"). The transaction size is equivalent to 3.4% of net tangible assets of CPF and its subsidiaries based on the latest reviewed financial statement as of March 31, 2014. Therefore, CPF is required to obtain shareholder approval prior to entering into this connected transaction.

### 4. Details of the Assets to be Disposed

#### 4.1 Business Description

Rapid Thrive, registered and incorporated in British Virgin Islands, is an investment holding company with current investments as follows:



\* Investment company

\*\* A company engages in manufacture and sale of motorcycle in China and is a Jointly-Controlled Entity of Ek Chor

<sup>7</sup> A subsidiary of CPF in which CPF directly and indirectly held 70.85% of its total issued common shares

<sup>8</sup> For reference purpose, the exchange rate is THB 32.68 = USD 1

4.2 Key Financial Information of Ek Chor

	For the Year ended December 31,					
	2011		2012		2013	
	M. USD	M. THB <sup>9</sup>	M. USD	M. THB <sup>9</sup>	M. USD	M. THB <sup>9</sup>
Share of Profits of Jointly-Controlled Entity	4	131	5	163	4	131
Other Revenues and Expenses - Net	(1)	(33)	(1)	(33)	(1)	(33)
Net Profit	3	98	4	131	3	98
Total Assets	55	1,797	57	1,863	56	1,830
Total Liabilities	27	882	25	817	20	654
Total Equities	28	915	32	1,046	36	1,176

4.3 Paid-up Share Capital and Shareholders' Loan

Current paid-up share capital of Rapid Thrive and shareholder's loan is USD 41.5 million.

4.4 Shareholding structure in Rapid Thrive

Shareholders	Shareholding Percentage	
	Pre-Transaction	Post-Transaction
CPP	100.00	-
CT Bright	-	100.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

**5. Basis to Determine the Value of Consideration**

Value of the asset to be disposed was determined on the arm's length negotiation between the seller and the purchaser by reference to various valuation approaches. Based on the disposal consideration of USD 49.5 million or approximately THB 1,618 million and the net profit of Ek Chor for the year 2013 of approximately USD 2.9 million, the implied Price to Earnings multiple will be 17.1 times.

**6. Transaction Size**

The transaction size is equivalent to 3.4% of net tangible assets of CPF and its subsidiaries based on the latest reviewed financial statements as of March 31, 2014.

**7. Details and Scope of Interest of Connected Person**

- CT Bright is an indirect wholly owned subsidiary of CPG, which is a major shareholder of CPF.
- CT Bright has interest in the acquisition of entire investment in Rapid Thrive with total consideration of USD 49.5 million or approximately THB 1,618 million.

**8. Directors with Conflict of Interest**

In considering the disposal of entire investment in Rapid Thrive transaction which is considered as a connected transaction, the directors with a conflict of interest who have no right to vote and did not attend the meeting, are as follows:

<u>List of CPF Directors</u>	<u>Type of Conflict of Interest</u>
a) Mr. Dhanin Chearavanont	A director of CPG
b) Mr. Prasert Poongkumarn	A director of CPG
c) Mr. Min Tieworn	A director of CPG
d) Mr. Chingchai Lohawatanakul	A director of CPG
e) Mr. Phongthep Chiaravanont	A director of CPG

**9. Financial plan for using the consideration receiving from the disposal of asset**

Reserve for investment in agro-industrial business.

**10. Conditions Precedent**

This transaction is considered a connected transaction under the listing rule of the Stock Exchange of Hong Kong Limited which CPP's shareholder approval is required and under the Rules on Connected Transactions which CPF's shareholder approval is required.

In addition, the disposal of investment in Rapid Thrive will be conditional upon the completion of conditions precedent as stipulated in the relevant agreements and related documents, for example, CT Bright is registered as the sole shareholder of Rapid Thrive.

<sup>9</sup> For reference purpose, the exchange rate is THB 32.68 = USD 1

**11. *Opinion of the Board of Directors***

The Board of Directors (excluding those Directors with a conflict of interest as mentioned in Section 8.) considered and viewed that this transaction is reasonable and beneficial to CPF as it is in accordance with the policy of the Company aiming to invest in the core business and relating businesses. The proceeds from the disposal will be used for investment in agro-industrial business which is the core business of the Company. The Board of Directors' Meeting of CPF opined that the basis used to determine total consideration of this transaction is appropriate.

**12. *Opinion of Directors and/or the Audit Committee which is Different from the Opinion of the Board of Directors***

Directors and the Audit Committee of CPF has no different opinion from the Board of Directors.

**13. *Distribution of the invitation for the EGM***

CPF will send the invitation for the Extraordinary General Shareholders' Meeting No. 1/2014 and the opinion of the Independent Financial Advisor to the Office of the Securities and Exchange Commission at least 5 business days before sending them to the shareholders. It will also send these documents to the shareholders at least 14 days before the meeting date.