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C.P. POKPHAND CO. LTD.

(Incorporation in Bermuda with limited liability)

(Stock Code: 43)

**PROPOSED SPIN-OFF AND SEPARATE LISTING OF
CHIA TAI ENTERPRISES INTERNATIONAL LIMITED
ON THE MAIN BOARD OF THE STOCK EXCHANGE**

This announcement is made pursuant to the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) and Practice Note 15 of the Listing Rules.

Reference is made to the announcement of the Company dated 30 June 2014 in relation to the Proposed Spin-off and separate listing of its biochemical business and interests in industrial business on the Main Board of the Stock Exchange. The Board is pleased to announce that the Company had submitted an application to the Stock Exchange pursuant to Practice Note 15 of the Listing Rules in relation to the Proposed Spin-off and has received written confirmation from the Stock Exchange that it may proceed with the Proposed Spin-off. On 17 October 2014, CTEI submitted through its appointed sole sponsor, UBS Securities Hong Kong Limited, a listing application form (Form A1) to the Stock Exchange to apply for Listing.

The Proposed Spin-off involves the spin-off by the Company and separate listing of CTEI on the Main Board of the Stock Exchange. CTEI is currently a direct wholly-owned subsidiary of the Company. CTEI Group (i) is engaged in the biochemical business which focuses on the manufacture and sale of CTC products, and (ii) holds interests in a joint venture and an associated company engaged in the industrial business which focuses on the trading of Caterpillar Products and the manufacture and sale of carburetors and automotive parts.

The Company proposes to effect the Proposed Spin-off by first carrying out the Reorganisation, resulting in CTEI becoming the holding company of both the biochemical business and the interests in the industrial business, and then declaring a special interim dividend to the Shareholders, to be satisfied by way of a distribution in specie of its holding in the entire issued share capital of CTEI to Qualifying Shareholders in proportion to their respective shareholdings in the Company on the Distribution Record Date (or, in respect of Qualifying Shareholders who are Preference Shareholders as at the Distribution Record Date, in proportion to the number of Ordinary Shares into which their respective holdings of Preference Shares as at the Distribution Record Date may be converted in accordance with the Bye-Laws and on an as converted basis). The Company currently does not expect the Proposed Spin-off to involve any form of capital raising.

Upon completion of the Proposed Spin-off, CTEI will cease to be a subsidiary of the Company. The Remaining CPP Group will continue to be principally engaged in (i) the manufacture and sale of animal feed products, (ii) breeding, farming and sale of livestock and aquatic animals, and (iii) the manufacture and sale of value-added processed food products.

Following completion of the Proposed Spin-off and the Listing, the Company will not retain any interest in the issued share capital of CTEI and CTEI will no longer be a subsidiary of the Company. As such disposal of the Company's shareholding interest in CTEI will be by way of the Distribution, it will not be a transaction of the Company for the purposes of Chapter 14 of the Listing Rules and accordingly there will be no requirement arising from such disposal to comply with the notification or shareholders' approval requirements thereunder. However, as required under the Bye-Laws, the Distribution is subject to the approval of Ordinary Shareholders.

The Proposed Spin-off and the Listing are subject to, among others, the final decisions of the Board and of the board of directors of CTEI, the approval from the Ordinary Shareholders for the Distribution and the Listing Approval being obtained. Accordingly, Shareholders and potential investors in the Company should be aware that there is no assurance that the Proposed Spin-off and Listing will take place or, if they do, when they will take place. If the Proposed Spin-off and Listing do not proceed for any reason, the proposed Distribution will not be made. Shareholders and potential investors in the Company should therefore exercise caution when dealing in or investing in the securities of the Company.

Further announcement(s) will be made by the Company in relation to the Proposed Spin-off and Listing and the SGM to be convened to approve the Distribution as and when appropriate.

INTRODUCTION

This announcement is made pursuant to the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) and Practice Note 15 of the Listing Rules.

Reference is made to the announcement of the Company dated 30 June 2014 in relation to the Proposed Spin-off and separate listing of its biochemical business and interests in industrial business on the Main Board of the Stock Exchange. The Board is pleased to announce that the Company had submitted an application to the Stock Exchange pursuant to Practice Note 15 of the Listing Rules in relation to the Proposed Spin-off and has received written confirmation from the Stock Exchange that it may proceed with the Proposed Spin-off.

On 17 October 2014, CTEI submitted through its appointed sole sponsor, UBS Securities Hong Kong Limited, a listing application form (Form A1) to the Stock Exchange to apply for Listing. A redacted form of the application proof of CTEI's listing document will be available for viewing and downloading on the Stock Exchange's website at <http://www.hkexnews.hk/APP/SEHKAPPMainIndex.htm>.

PROPOSED SPIN-OFF

The Proposed Spin-off involves the spin-off by the Company and separate listing of CTEI on the Main Board of the Stock Exchange. CTEI is currently a direct wholly-owned subsidiary of the Company. CTEI Group (i) is engaged in the biochemical business which focuses on the manufacture and sale of CTC products, and (ii) holds interests in a joint venture and an associated company engaged in the industrial business which focuses on the trading of Caterpillar Products and the manufacture and sale of carburetors and automotive parts.

The Company proposes to effect the Proposed Spin-off by first carrying out the Reorganisation, resulting in CTEI becoming the holding company of both the biochemical business and the interest in the industrial business, and then declaring a special interim dividend to the Shareholders, to be satisfied by way of a distribution in specie of its holding in the entire issued share capital of CTEI to Qualifying Shareholders in proportion to their respective shareholdings in the Company on the Distribution Record Date (or, in respect of Qualifying Shareholders who are Preference Shareholders as at the Distribution Record Date, in proportion to the number of Ordinary Shares into which their respective holdings of Preference Shares as at the Distribution Record Date may be converted in accordance with the Bye-Laws and on an as converted basis). The Company currently does not expect the Proposed Spin-off to involve any form of capital raising. The Reorganisation shall be subject to the Stock Exchange granting the In-principle Approval, which CTEI is required to obtain before the issue of CTEI's listing document. The Distribution shall be conditional on (i) the approval of the Ordinary Shareholders at the SGM, and (ii) the Stock Exchange granting the Listing Approval.

Upon completion of the Proposed Spin-off, CTEI will cease to be a subsidiary of the Company. The Remaining CPP Group will continue to be principally engaged in (i) the manufacture and sale of animal feed products, (ii) breeding, farming and sale of livestock and aquatic animals, and (iii) the manufacture and sale of value-added processed food products.

REASONS FOR AND BENEFITS OF THE PROPOSED SPIN-OFF AND LISTING

The Directors consider the Proposed Spin-off and Listing to be in the interests of the Shareholders as a whole. The Directors also believe that the Proposed Spin-off and Listing will better position each of CTEI Group and the Remaining CPP Group for growth in its respective lines of business and deliver benefits to both by:

- (a) ***Creating own investor base with different investment focus:*** Through the Proposed Spin-off and Listing, CTEI Group's biochemical business and interests in the industrial business will be able to be valued separately from the Remaining CPP Group on the basis of CTEI Group's own merits with increased operational and financial transparency. The Proposed Spin-off will also help to create a new investor base for CTEI Group as it will be able to attract new investors who are seeking investments specifically in the biochemical and industrial sectors. It may also position the Remaining CPP Group to better attract investors who are only focused on the agri-food business.
- (b) ***Clarifying the equity story and enhancing financing flexibility:*** As a result of the Proposed Spin-off and Listing, the Remaining CPP Group and CTEI Group will have separate fundraising platforms in the equity and debt capital markets, which will increase financing flexibility for each of these two separate groups of companies to support their respective growth.
- (c) ***More defined focus and efficient resource allocation:*** The Proposed Spin-off will allow the different management teams of the Remaining CPP Group and CTEI Group to focus and allocate resources more effectively on their respective businesses. It will also facilitate the development of separate strategies for CTEI Group to further grow and capture business opportunities.
- (d) ***Separate share option schemes to incentivise staff of separate businesses:*** The CTEI Share Option Scheme is designed to provide incentives, inter alia, to the staff of CTEI Group measured by reference to the performance of CTEI's securities, whilst the equivalent scheme of the Company will continue to provide incentives, inter alia, to the staff of the Remaining CPP Group measured by reference to the performance of the Company's securities after the Proposed Spin-off.

In addition, the Directors believe that the future investors in CTEI can benefit from the grouping of the CTEI Group's biochemical and interests in the industrial business in the following ways:

- (a) ***A diversified business portfolio encompassing biochemical business with interests in industrial business:*** CTEI Group is one of the leading CTC producers globally, and has interests in a sales distributor for Caterpillar Products in the western part of the PRC (excluding the Xinjiang Uyghur Autonomous Region) and in a major motorcycle carburetors manufacturer in the PRC. CTEI Group has a diversified business portfolio, engaging in the biochemical business and having interests in the industrial business. This diversified mix of business and investments helps CTEI Group to diversify the risks of a slowdown or disruption of demand in any particular business segment and maintain a steady stream of operating income.
- (b) ***An enhanced financing capability:*** With the strong and steady income streams from the biochemical business and interests in the industrial business, CTEI Group has an enhanced financing capability to help fund future growth and development, including through expansion of production scale and/or facilities and acquisitions in the two sectors when suitable opportunities arise.

The Proposed Spin-off is designed to facilitate the future growth of CTEI Group and the Remaining CPP Group. As the Proposed Spin-off will be implemented by way of the Distribution to the Qualifying Shareholders, such shareholders will, so long as they remain shareholders of the Company, continue to enjoy the benefits from the development of the business of the Remaining CPP Group whilst, so long as they remain shareholders of CTEI, enjoy the benefits from the development of CTEI Group. In light of the foregoing, the Directors are of the view that there should not be any adverse impact on the interests of the Shareholders as a result of the Proposed Spin-off.

LISTING RULES IMPLICATIONS

Following completion of the Proposed Spin-off and the Listing, the Company will not retain any interest in the issued share capital of CTEI and CTEI will no longer be a subsidiary of the Company. As such disposal of the Company's shareholding interest in CTEI will be by way of the Distribution, it will not be a transaction of the Company for the purposes of Chapter 14 of the Listing Rules and accordingly there will be no requirement arising from such disposal to comply with the notification or shareholders' approval requirements thereunder. However, as required under the Bye-Laws, the Distribution is subject to the approval of Ordinary Shareholders.

GENERAL

The Proposed Spin-off and the Listing are subject to, among others, the final decisions of the Board and of the board of directors of CTEI, the approval from the Ordinary Shareholders for the Distribution and the Listing Approval being obtained. Accordingly, Shareholders and potential investors in the Company should be aware that there is no assurance that the Proposed Spin-off and Listing will take place or, if they do, when they will take place. If the Proposed Spin-off and Listing do not proceed for any reason, the proposed Distribution will not be made. Shareholders and potential investors in the Company should therefore exercise caution when dealing in or investing in the securities of the Company.

Further announcement(s) will be made by the Company in relation to the Proposed Spin-off and Listing and the SGM to be convened to approve the Distribution as and when appropriate.

DEFINITIONS

“Board”	the board of directors of the Company
“Bye-Laws”	the bye-laws of the Company
“Caterpillar”	Caterpillar Inc. or any of its subsidiaries
“Caterpillar Products”	machinery supplied by Caterpillar pursuant to the distribution agreements entered into between the ECI Metro Group and Caterpillar
“Company”	C.P. Pokphand Co. Ltd., a company incorporated under the laws of Bermuda whose shares are listed on the Main Board of the Stock Exchange
“CTC”	Chlortetracycline, a tetracycline broad-spectrum antibiotic with chemical formula $C_{22}H_{23}ClN_2O_8$
“CTEI”	Chia Tai Enterprises International Limited, a company incorporated under the laws of Bermuda
“CTEI Group”	CTEI and its subsidiaries after the Reorganisation or, where the context so requires, in respect of the period before CTEI became the holding company of its present subsidiaries, such present subsidiaries or (as the case may be) their predecessors
“CTEI Shares”	ordinary shares in the share capital of CTEI
“CTEI Share Option Scheme”	the share option scheme of CTEI proposed to be adopted by the Shareholders
“Directors”	the directors of the Company
“Distribution”	the proposed payment of a special interim dividend by the Company to be satisfied by way of a distribution in specie of the entire issued share capital of CTEI to the Qualifying Shareholders in proportion to their respective shareholdings in the Company on the Distribution Record Date (or, in respect of Qualifying Shareholders who are Preference Shareholders as at the Distribution Record Date, in proportion to the number of Ordinary Shares into which their respective holdings of Preference Shares as at the Distribution Record Date may be converted in accordance with the Bye-Laws and on an as converted basis), subject to the satisfaction of the conditions described in the section headed “Proposed Spin-off” in this announcement

“Distribution Record Date”	the record date for ascertaining entitlements to the Distribution, to be determined and announced by the Board
“ECI Metro Group”	ECI Metro Investment and its subsidiaries
“ECI Metro Investment”	ECI Metro Investment Co., Ltd., a company incorporated in the British Virgin Islands with limited liability, which is held as to 50% by ECI Machinery Co., Ltd., an indirect wholly-owned subsidiary of the Company
“Form A1”	the listing application form submitted on behalf of CTEI to the Stock Exchange on 17 October 2014
“In principle Approval”	the approval in principle by the Listing Committee of the Stock Exchange for the Listing
“Listing”	the listing of, and permission to deal in, the CTEI Shares in issue and any CTEI Shares which may be issued pursuant to the exercise of options which may be granted under the CTEI Share Option Scheme on the Main Board of the Stock Exchange by way of introduction
“Listing Approval”	the approval by the Listing Committee of the Stock Exchange for the Listing
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Ordinary Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of the Company carrying voting rights at general meetings of the Company
“Ordinary Shareholder(s)”	holder(s) of Ordinary Shares
“Preference Share(s)”	the restricted voting convertible preference share(s) of US\$0.01 each in the capital of the Company
“Preference Shareholder(s)”	holder(s) of Preference Shares
“Proposed Spin-off”	the proposed spin-off of CTEI by the Company to be effected by way of the Distribution
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Distribution Record Date
“Remaining CPP Group”	the Company and its subsidiaries following the Distribution, which will exclude CTEI Group
“Reorganisation”	the reorganisation of CTEI Group in preparation for the Listing
“SGM”	the special general meeting of the Company for the Ordinary Shareholders to approve, among other things, the proposed Distribution

“Shareholders”

Ordinary Shareholders and/or Preference Shareholders

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

By Order of the Board
Arunee Watcharananan
Director

Hong Kong, 17 October 2014

As at the date of this announcement, the Board comprises nine executive directors, namely, Mr. Dhanin Chearavanont, Mr. Adirek Sripratak, Mr. Thanakorn Seriburi, Mr. Soopakij Chearavanont, Mr. Bai Shanlin, Mr. Sooksunt Jiumjaiswanglerg, Mr. Anan Athigapanich, Mr. Suphachai Chearavanont and Mrs. Arunee Watcharananan; one non-executive director, namely, Mr. Meth Jiaravanont; and five independent non-executive directors, namely, Mr. Ma Chiu Cheung, Andrew, Mr. Sombat Deo-isres, Mr. Sakda Thanitcul, Mr. Vinai Vittavasgarnvej and Mrs. Vatchari Vimooktayon.