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C.P. POKPHAND CO. LTD.

(Incorporated 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**

**BOARD APPROVAL AND RECOMMENDATION OF
CONDITIONAL SPECIAL DIVIDEND
BY WAY OF MODIFIED DISTRIBUTION IN SPECIE**

Reference is made to the announcements of the Company dated 30 June 2014, 17 October 2014, 31 October 2014 and 12 November 2014 in relation to the Proposed Spin-off and separate Listing of CTEI on the Main Board of the Stock Exchange, the circular of the Company dated 14 November 2014 incorporating the notice of the Original SGM, the announcements of the Company dated 28 November 2014 and 1 December 2014 in relation to the adjournment of the Original SGM and the announcements of the Company dated 26 February 2015 and 6 March 2015 in relation to the New Spin-off Proposal and the Modified Distribution.

The meeting of the Board was held on 18 March 2015 at which the Special Dividend, which would be satisfied by way of the Modified Distribution, was approved and recommended, subject to the satisfaction of the Conditions. The amount of the Special Dividend to be distributed by the Group will be equal to the amount of the net asset value (excluding non-controlling interests) of the CTEI Group as at the date of despatch of the share certificates of CTEI Shares to the Qualifying Shareholders. If the Conditions are satisfied, the Special Dividend will be made and will be satisfied by the Modified Distribution, so that CTEI Ordinary Shares will be distributed to CPP Ordinary Shareholders and CTEI Preference Shares will be distributed to CPP Preference Shareholder(s), in both cases if such CPP Ordinary Shareholders and CPP Preference Shareholder(s) are Qualifying Shareholders and in proportion to their respective holdings of CPP Ordinary Shares or, as the case may be, CPP Preference Shares on the Distribution Record Date. To enable the proposed Modified Distribution to be made, the Proposed Amendment of Bye-laws would have to be approved by the CPP Shareholders. If any of the Conditions is not satisfied, the Special Dividend will not be made and the Proposed Amendment of Bye-laws, the Proposed Spin-off and Listing will not take place even where CPP Shareholders' approval have been obtained, in which case an announcement will be made by the Company.

The Company will convene the Class Meeting and the SGM as soon as practicable, and will for such purpose despatch to CPP Shareholders the notices of the Class Meeting and the SGM and the circular giving further information on the proposed Modified Distribution, the Proposed Amendment of Bye-laws and the proposed adoption of the CTEI Share Option Scheme as soon as practicable. As the Modified Distribution would constitute a variation of the special rights attached to the CPP Ordinary Shares and the CPP Preference Shares respectively, a special resolution will be proposed at the Class Meeting for the purpose of considering and, if thought fit, approving such variation. A special resolution will be proposed at the SGM for the purpose of considering and, if thought fit,

approving the Proposed Amendment of Bye-laws and ordinary resolutions will be proposed at the SGM for the purposes of considering and, if thought fit, approving the proposed Special Dividend to be satisfied by way of the Modified Distribution and the proposed adoption of the CTEI Share Option Scheme.

The New Spin-off Proposal and Listing are subject to the Conditions being satisfied. Accordingly, CPP Shareholders and potential investors in the Company should be aware that there is no assurance that the New Spin-off Proposal and Listing will take place or, if they do, when they will take place. If the New Spinoff Proposal and Listing do not proceed for any reason, the Modified Distribution will not be made. CPP Shareholders and potential investors in the Company should therefore exercise caution when dealing in or investing in the securities of the Company. The Company will issue further announcement(s) on the details of the Modified Distribution, including but not limited to, the dates of closure of the register of members of the Company for determining CPP Shareholders' entitlements to the Modified Distribution, the Distribution Record Date, the total number of CTEI Shares to be distributed to Qualifying Shareholders pursuant to the Modified Distribution and the number of Overseas Shareholders and the jurisdictions involved (if any) as of the Distribution Record Date.

INTRODUCTION

Reference is made to the announcements of the Company dated 30 June 2014, 17 October 2014, 31 October 2014 and 12 November 2014 in relation to the Proposed Spin-off and separate listing of CTEI on the Main Board of the Stock Exchange, the circular of the Company dated 14 November 2014 incorporating the notice of the Original SGM, the announcements of the Company dated 28 November 2014 and 1 December 2014 in relation to the adjournment of the Original SGM and the announcements of the Company dated 26 February 2015 and 6 March 2015 in relation to the New Spin-off Proposal and the Modified Distribution. Unless otherwise defined in this announcement, capitalised terms used herein shall have the same meanings as defined in the announcement of the Company on 26 February 2015.

BOARD APPROVAL AND RECOMMENDATION OF CONDITIONAL SPECIAL DIVIDEND

The meeting of the Board was held on 18 March 2015 at which the Special Dividend which is to be satisfied by way of the Modified Distribution in specie of the Company's holding in the entire issued share capital of CTEI consisting of CTEI Ordinary Shares and CTEI Preference Shares, so that CTEI Ordinary Shares will be distributed to CPP Ordinary Shareholders and CTEI Preference Shares will be distributed to CPP Preference Shareholder(s), in both cases if such CPP Ordinary Shareholders and CPP Preference Shareholder(s) are Qualifying Shareholders and in proportion to their respective holdings of CPP Ordinary Shares or, as the case may be, CPP Preference Shares on the Distribution Record Date, was approved and recommended, subject to the Conditions (as defined below) and compliance with the relevant requirements under Bermuda law. The amount of the Special Dividend to be distributed by the Group will be equal to the amount of the net asset value (excluding non-controlling interests) of the CTEI Group as at the date of despatch of the share certificates of CTEI Shares to the Qualifying Shareholders. Application will be made for the approval by the Listing Committee of the Stock Exchange for the listing only of CTEI Ordinary Shares, including CTEI Ordinary Shares into which CTEI Preference Shares will upon exercise of the conversion rights attaching to them be converted. In addition to such approval, the New Spin-off Proposal and Listing are subject to the final decisions of the Board and of the board of directors of CTEI, the sanction of CPP Ordinary Shareholders to be obtained at the Class Meeting and of CPP Preference Shareholder(s) by the Written Consent and the approval of CPP Shareholders to be obtained at the

New SGM of the proposed amendment of the Bye-laws to enable the Modified Distribution (the “**Proposed Amendment of Bye-laws**”) to be made, and the declaration of the Special Dividend which is to be satisfied by way of the Modified Distribution (collectively, the “**Conditions**”).

If the Conditions are satisfied, the Special Dividend will be made and will be satisfied by the Modified Distribution, pursuant to which each Qualifying Shareholder who is a CPP Ordinary Shareholder will be entitled to one CTEI Ordinary Share for every 100 CPP Ordinary Shares held on the Distribution Record Date, and each Qualifying Shareholder who is a CPP Preference Shareholder will be entitled to one CTEI Preference Share for every 100 CPP Preference Shares held on the Distribution Record Date. Fractional entitlements will be disregarded. The Company will publish a separate announcement with information about the special arrangements to facilitate the disposal of any CTEI Ordinary Shares which the Qualifying Shareholders may receive in odd lots.

As at the date of this announcement, CTEI had 11,952,000 CTEI Ordinary Shares in issue. Based on the issued share capital of the Company as at the date of this announcement and assuming this will remain unchanged until the Capitalisation Issue, it is expected that immediately following the obtaining of the Listing Approval and prior to the Modified Distribution, CTEI will issue up to 228,766,372 new CTEI Ordinary Shares and 12,610,777 CTEI Preference Shares by way of the Capitalisation Issue, following which the total number of CTEI Ordinary Shares and CTEI Preference Shares in issue will be increased to up to 240,718,372 and 12,610,777 respectively. The Capitalisation Issue is subject to the approval by the Company in its capacity as the sole shareholder of CTEI and the Listing Approval being obtained, but is not subject to the approval by the CPP Shareholders.

If, based on the register of members of the Company as at the close of business on the Distribution Record Date, there are CPP Shareholders with registered addresses outside of Hong Kong, the Directors will make enquiries regarding the legal restrictions under the laws of the relevant jurisdictions and the requirements of the relevant regulatory body or stock exchange in that jurisdiction in respect of the Modified Distribution. If the Directors, having made relevant enquiries, consider that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant jurisdiction or any requirement of the relevant regulatory body or stock exchange in that jurisdiction, to exclude such Overseas Shareholders from the entitlement to receive CTEI Ordinary Shares and/or CTEI Preference Shares under the Modified Distribution, the Overseas Shareholders (if any) will be entitled to the Modified Distribution but will not receive CTEI Ordinary Shares and/or CTEI Preference Shares (as the case may be). Instead, as soon as reasonably practicable after dealings in CTEI Ordinary Shares commence on the Stock Exchange, the Company will sell, if possible and at the then prevailing market price, the CTEI Ordinary Shares and/or CTEI Preference Shares (as the case may be) to which such Overseas Shareholders would otherwise be entitled pursuant to the Modified Distribution on their behalf. The Overseas Shareholders will receive a cash amount equal to the net proceeds from the sale if such proceeds are equal to or more than HK\$100. If the net proceeds are less than HK\$100, the Company will retain such amount in its account. The net proceeds from such sale will be paid to the relevant Overseas Shareholders in Hong Kong dollars. Cheques for such net proceeds are expected to be despatched within three weeks following the commencement of dealings in CTEI Ordinary Shares on the Main Board of the Stock Exchange.

If any of the Conditions is not satisfied, the Proposed Amendment of Bye-laws and the Special Dividend will not be made and the Proposed Spin-off and Listing will not take place, in which case an announcement will be made by the Company.

ORDINARY SHAREHOLDERS' APPROVAL FOR THE PROPOSED MODIFIED DISTRIBUTION AND PROPOSED ADOPTION OF THE CTEI SHARE OPTION SCHEME

As the Modified Distribution would amount to a variation of certain special rights attached to the CPP Ordinary Shares and CPP Preference Shares respectively, in accordance with the Bye-laws, such variation shall be subject to the approval by CPP Ordinary Shareholders at the Class Meeting and the Written Consent being obtained from CPP Preference Shareholder(s). In accordance with the Bye-laws, the Proposed Amendment of Bye-laws shall be subject to the approval by the CPP Ordinary Shareholders and CPP Preference Shareholders at the SGM. In addition, the Company shall seek CPP Ordinary Shareholders' approval for the proposed Modified Distribution and the proposed adoption of the CTEI Share Option Scheme.

The Company will convene the Class Meeting and the SGM as soon as practicable, and will for such purpose despatch to CPP Shareholders the notices of the Class Meeting and the SGM and the circular giving further information on the Proposed Amendment of Bye-laws, proposed Modified Distribution and the proposed adoption of the CTEI Share Option Scheme as soon as practicable. A special resolution will be proposed at the Class Meeting for the purpose of considering and, if thought fit, approving the variation of the special rights attached to the CPP Ordinary Shares and the CPP Preference Shares respectively which will result from the Modified Distribution. A special resolution will be proposed at the SGM for the purpose of considering and, if thought fit, approving the Proposed Amendment of Bye-laws and ordinary resolutions will be proposed at the SGM for the purposes of considering and, if thought fit, approving the proposed Special Dividend to be satisfied by the Modified Distribution and the proposed adoption of the CTEI Share Option Scheme.

The Company will issue further announcement(s) on the details of the Modified Distribution, including but not limited to, the dates of closure of the register of members of the Company for determining CPP Shareholders' entitlements to the Modified Distribution, the Distribution Record Date, the total number of CTEI Ordinary Shares to be distributed to Qualifying Shareholders pursuant to the Modified Distribution and the number of Overseas Shareholders and the jurisdictions involved (if any) as of the Distribution Record Date.

GENERAL

The New Spin-off Proposal and Listing are subject to the Conditions being satisfied. Accordingly, CPP Shareholders and potential investors in the Company should be aware that there is no assurance that the New Spin-off Proposal and Listing will take place or, if they do, when they will take place. If the New Spinoff Proposal and Listing do not proceed for any reason, the Modified Distribution will not be made. CPP Shareholders and potential investors in the Company should therefore exercise caution when dealing in or investing in the securities of the Company.

By Order of the Board
Arunee Watcharananan
Director

Hong Kong, 18 March 2015

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.