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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **C.P. POKPHAND CO. LTD.**, you should at once hand this circular, together with the accompanying proxy form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**C.P. POKPHAND CO. LTD.**

(Incorporated in Bermuda with limited liability)

(Stock Code: 43)

**PROPOSED CONDITIONAL SPECIAL INTERIM DIVIDEND
BY WAY OF MODIFIED DISTRIBUTION IN SPECIE
AND
PROPOSED AMENDMENT OF BYE-LAWS
AND
PROPOSED ADOPTION OF THE CTEI SHARE OPTION SCHEME
NOTICES OF CLASS MEETING AND SPECIAL GENERAL MEETING**

A letter from the Board is set out on pages 8 to 21 of this circular.

A notice convening the class meeting of the ordinary shareholders of C.P. POKPHAND CO. LTD. to be held at Suites 6411-6416, 64th Floor, Two International Finance Centre, 8 Finance Street, Hong Kong on Friday, 17 April 2015 at 9:30 a.m., is set out on pages 29 to 30 of this circular.

A notice convening the special general meeting of C.P. POKPHAND CO. LTD. to be held at Suites 6411-6416, 64th Floor, Two International Finance Centre, 8 Finance Street, Hong Kong on Friday, 17 April 2015 at 9:35 a.m. (or as soon thereafter as the above-mentioned class meeting is concluded or adjourned), is set out on pages 31 to 33 of this circular.

Whether or not you are able to attend the said meeting(s), you are requested to complete the accompanying proxy form(s) in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the said meeting or any adjournment thereof. Completion and return of the form(s) of proxy will not preclude you from attending and voting in person at the said meeting(s) or any adjournment thereof should you so wish.

26 March 2015

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DEFINITIONS

In this circular, unless the context otherwise requires or otherwise defined, the following expressions have the following meanings:-

“associate”	has the meaning ascribed to that term under the Listing Rules
“Board”	the board of Directors
“business day”	a day upon which the Stock Exchange is open for securities trading
“BVI”	the British Virgin Islands
“Bye-laws”	the bye-laws of the Company (as amended from time to time)
“Capitalisation Issue”	the issue of new CTEI Shares, credited as fully paid, by CTEI to the Company by way of capitalisation of (i) firstly, the amount due from CTEI to the Company as at the date on which the Listing Approval is obtained and (ii) as to any remainder, out of CTEI’s profit available for distribution
“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
“Chia Tai Huazhong”	Chia Tai Huazhong Biochemistry Limited (正大華中生化有限公司), a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of CTEI following the completion of the Reorganisation
“Chia Tai Pucheng”	Chia Tai Pucheng Biochemistry Limited (正大浦城生化有限公司) (formerly known as Chia Tai (Fuzhou) Company Limited), a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of CTEI following the completion of the Reorganisation
“Class Meeting”	the class meeting of CPP Ordinary Shareholders to be convened at Suites 6411-6416, 64th Floor, Two International Finance Centre, 8 Finance Street, Hong Kong on Friday, 17 April 2015 at 9:30 a.m., notice of which is set out on pages 29 to 30 in this circular
“close associate”	has the meaning ascribed to that term under the Listing Rules
“Companies Act”	the Companies Act 1981 of Bermuda
“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

DEFINITIONS

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“control”	<p>the power of a person to secure:</p> <ul style="list-style-type: none">(i) by means of the holding of shares or other securities or the possession of voting power in or in relation to the relevant body corporate or any other body corporate; or(ii) by means of controlling the composition of a majority of the board of directors of the relevant body corporate or any other body corporate; or(iii) by virtue of any powers conferred by the articles of association or other constitutional document regulating the relevant body corporate or any other body corporate, <p>that the affairs of the first-mentioned body corporate are conducted in accordance with the wishes of such person</p>
“Controlling Shareholder”	in relation to a company, any person who is or group of persons who are together entitled to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the Takeovers Code (approved by the Securities and Futures Commission as amended from time to time) as being the level for triggering a mandatory general offer) or more of the voting power at general meetings of that company or who is or are in a position to control the composition of a majority of the board of directors of that company
“core connected person”	has the meaning ascribed to that term under the Listing Rules
“CP Enterprises”	C.P. Enterprises Limited (卜蜂實業有限公司) (formerly known as Ek Chor Company Limited), a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of CTEI
“CPF”	Charoen Pokphand Foods Public Company Limited, a company organised and existing under the laws of the Kingdom of Thailand whose shares are listed and traded on the Stock Exchange of Thailand
“CPFI”	CPF Investment Limited, a company incorporated in the BVI, a wholly-owned subsidiary of CPF
“CPP 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
“CPP Ordinary Shareholder”	holder of CPP Ordinary Share(s)

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“CPP Preference Share(s)”	the restricted voting convertible preference share(s) of US\$0.01 each in the capital of the Company
“CPP Preference Shareholder”	holder of CPP Preference Share(s)
“CPP Shareholder(s)”	CPP Ordinary Shareholder and/or CPP Preference Shareholder
“CTC”	Chlortetracycline, a tetracycline broad-spectrum antibiotic with chemical formula C ₂₂ H ₂₃ ClN ₂ O ₈
“CTEI”	Chia Tai Enterprises International Limited, a company incorporated under the laws of Bermuda
“CTEI Board”	the board of directors of CTEI
“CTEI Group”	CTEI and its subsidiaries after the Reorganisation or, where the context so requires, in respect of the period before CTEI became their holding company, such subsidiaries or (if applicable) their predecessors
“CTEI Ordinary Shares”	ordinary shares of US\$0.10 each in the share capital of CTEI
“CTEI Ordinary Shareholder”	holder of CTEI Ordinary Share(s)
“CTEI Preference Shares”	the restricted voting convertible preference share(s) of US\$0.10 each in the capital of the CTEI
“CTEI Shareholder(s)”	holder of CTEI Ordinary Share(s) and/or holder of CTEI Preference Share(s)
“CTEI Share Option Scheme”	the share option scheme of CTEI in its original form as conditionally approved by the directors of CTEI on 15 September 2014 and conditionally adopted by written resolution of the sole shareholder of CTEI (being the Company) passed on 26 September 2014 and as revised in accordance with the revised share option scheme of CTEI as conditionally approved by the directors of CTEI on 18 March 2015 and conditionally adopted by written resolution of the sole shareholder of CTEI (being the Company) passed on 18 March 2015, which is proposed to be presented to the CPP Shareholders for their approval at the SGM
“CTEI Shares”	CTEI Ordinary Shares and/or CTEI Preference Shares
“Date of Grant”	the date on which an Option is granted (which must be a business day)
“Directors”	the directors of the Company
“Distribution Record Date”	the record date for ascertaining entitlements to the Modified Distribution, to be determined and announced by the Board

DEFINITIONS

- “ECI Machinery” ECI Machinery Co., Ltd., a company incorporated in the BVI, a wholly-owned subsidiary of CP Enterprises
- “ECI Metro Investment” ECI Metro Investment Co., Ltd., a company incorporated in the BVI, which is held as to 50% by ECI Machinery
- “Eligible Person” means: –
- (i) any director (whether executive or non-executive, including any independent non-executive director), employee (whether full time or part time) of, or any individual for the time being seconded to work for, any member of the CTEI Group who, in the CTEI Board’s opinion, has contribution or potential contribution to the CTEI Group; or
 - (ii) any holder of any securities issued by any member of the CTEI Group or any Controlling Shareholder of CTEI (or any Controlling Shareholder of a Controlling Shareholder of CTEI) or any company controlled by such Controlling Shareholder (who, in the CTEI Board’s opinion, has contribution or potential contribution to the CTEI Group); or
 - (iii)
 - (a) any business or joint venture partner, contractor, agent or representative of,
 - (b) any person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services incident to the business of CTEI and/or its subsidiaries to,
 - (c) any investor, vendor, supplier, producer, developer, agent, licensor or service provider of, or
 - (d) any customer, licensee (including any sub-licensee), wholesaler, retailer, trader or distributor of goods or services of,any member of the CTEI Group or any Controlling Shareholder of CTEI (or any Controlling Shareholder of a Controlling Shareholder of CTEI) or any company controlled by such Controlling Shareholder (who, in the CTEI Board’s opinion, has contribution or potential contribution to the CTEI Group);
- and, for the purposes of the CTEI Share Option Scheme, shall include any company controlled by one or more persons belonging to any of the above classes of participants

DEFINITIONS

“Golden Industrial”	Golden Industrial Investment Limited (輝煌工業投資有限公司), a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of CTEI
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“In principle Approval”	the approval in principle by the Listing Committee of the Stock Exchange for the Listing
“ITOCHU Corporation”	ITOCHU Corporation, a company organised and existing under the laws of Japan whose shares are listed on the Tokyo Stock Exchange
“Latest Practicable Date”	23 March 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information included therein
“Listing”	the listing of, and permission to deal in, the CTEI Ordinary Shares in issue following the Capitalisation Issue, the CTEI Ordinary Shares into which CTEI Preference Shares will be converted upon exercise of the conversion rights attached to them, and any CTEI Ordinary 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
“Listing Approval”	the approval by the Listing Committee of the Stock Exchange for the Listing
“Listing Date”	the date on which dealings in the CTEI Ordinary Shares first commence on the Stock Exchange
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Modified Distribution”	the proposed payment of the Special Dividend by the Company to be satisfied by way of a distribution of CTEI Ordinary Shares to Qualifying Shareholders who are CPP Ordinary Shareholders and a distribution of CTEI Preference Shares to Qualifying Shareholders who are CPP Preference Shareholder(s) on the Distribution Record Date, subject to the satisfaction of the conditions described in the section headed “Proposed Spin-off and Listing” in this circular
“New Spin-off Proposal”	the revised proposal in accordance with which the Proposed Spin-off and the Modified Distribution will be implemented

DEFINITIONS

“Option”	an option to subscribe for CTEI Ordinary Shares pursuant to the CTEI Share Option Scheme
“Option Period”	in respect of any Option, the period during which such Option can be exercised, being the period commencing on such date on or after the Date of Grant as the CTEI Board may determine in granting the Option and expiring at the close of business on such date as the CTEI Board may determine in granting the Option but in any event not exceeding 10 years from the Date of Grant
“Original SGM”	the special general meeting of the Company which was held on 1 December 2014
“Overseas Shareholders”	CPP Shareholders whose registered addresses on the register of members of the Company at the close of business on the Distribution Record Date are in jurisdictions outside of Hong Kong, whom the Directors, having made relevant enquiries, consider necessary or expedient to exclude from the entitlement to receive CTEI Shares under the Distribution on account either of the legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction
“PRC”	People’s Republic of China
“Proposed Amendment of Bye-laws”	the proposed amendment of Bye-laws to enable the Modified Distribution to be made
“Proposed Spin-off”	the proposed spin-off of CTEI by the Company to be effected by way of the Modified Distribution under the New Spin-off Proposal
“Pucheng Chia Tai”	浦城正大生化有限公司 (Pucheng Chia Tai Biochemistry Co. Ltd.*), a contractual joint venture established under the laws of the PRC, which is held as to 36.6% by Chia Tai Pucheng and 33.1% by Chia Tai Huazhong
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Distribution Record Date, excluding Overseas Shareholders
“Remaining CPP Group”	the Group following the Distribution, which will exclude the CTEI Group
“Reorganisation”	the reorganisation of the CTEI Group in preparation for the Listing
“Scheme Period”	the period commencing on the Listing Date and expiring at the close of business on the day immediately preceding the tenth anniversary thereof

DEFINITIONS

“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held at Suites 6411-6416, 64th Floor, Two International Finance Centre, 8 Finance Street, Hong Kong on Friday, 17 April 2015 at 9:35 a.m., notice of which is set out on pages 31 to 33 in this circular
“Special Dividend”	the conditional special interim dividend, to be satisfied by way of a distribution in specie of the Company’s holding in the entire issued share capital of CTEI to Qualifying Shareholders, which was approved and recommended by the Board on 12 November 2014 and modified by the Board on 18 March 2015
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“US\$”	United States dollars, the lawful currency of United States of America
“Written Consent”	a consent in writing to be sought from CPP Preference Shareholder(s) holding not less than three-fourths in nominal value of the CPP Preference Shares in issue
“Zhanjiang Deni”	湛江德利車輛部件有限公司 (Zhanjiang Deni Vehicle Parts Co. Ltd.*), a company incorporated under the laws of the PRC, which is held as to 28% by Golden Industrial
“Zhumadian Huazhong”	駐馬店華中正大有限公司 (Zhumadian Huazhong Chia Tai Co. Ltd.*), a company incorporated under the laws of the PRC and a wholly-owned subsidiary of Pucheng Chia Tai
“%”	per cent.

* The English names of PRC entities are translations of their Chinese names and are given above for identification purposes only.

LETTER FROM THE BOARD



C.P. POKPHAND CO. LTD.

(Incorporated in Bermuda with limited liability)

(Stock Code: 43)

Executive Directors:

Mr. Dhanin Chearavanont (*Chairman*)

Mr. Adirek Sripratak

Mr. Thanakorn Seriburi

Mr. Soopakij Chearavanont

Mr. Bai Shanlin

Mr. Sooksunt Jiumjaiswanglerg

Mr. Anan Athigapanich

Mr. Suphachai Chearavanont

Mrs. Arunee Watcharananan

Non-executive Director:

Mr. Meth Jiaravanont

Independent Non-executive Directors:

Mr. Ma Chiu Cheung, Andrew

Mr. Sombat Deo-isres

Mr. Sakda Thanitcul

Mr. Vinai Vittavasgarnvej

Mrs. Vatchari Vimooktayon

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

*Principal office and Principal place
of business in Hong Kong:*

21st Floor

Far East Finance Centre

16 Harcourt Road

Hong Kong

26 March 2015

To CPP Ordinary Shareholders and CPP Preference Shareholder(s)

Dear Sirs,

**PROPOSED CONDITIONAL SPECIAL INTERIM DIVIDEND
BY WAY OF MODIFIED DISTRIBUTION IN SPECIE
AND
PROPOSED AMENDMENT OF BYE-LAWS
AND
PROPOSED ADOPTION OF THE CTEI SHARE OPTION SCHEME
NOTICES OF CLASS MEETING AND SPECIAL GENERAL MEETING**

1 INTRODUCTION

Reference is made to (i) 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 its biochemical business and interests in industrial business on the Main Board of the Stock Exchange and the circular of the Company dated 14 November 2014 incorporating the notice of the Original SGM; (ii) the announcements of the Company dated 28 November and 1 December 2014 in relation to the adjournment of the Original SGM; and (iii) the announcement of the Company dated 26 February 2015 setting out, among other things, the New Spin-off Proposal.

LETTER FROM THE BOARD

On 18 March 2015, the Board resolved that the Special Dividend which had been approved and recommended by the Board on 12 November 2014 would be modified and that it would be satisfied by way of a 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 would be distributed to CPP Ordinary Shareholders and CTEI Preference Shares would 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.

As mentioned in the announcement of the Company dated 26 February 2015, the Company had received confirmation from the Stock Exchange that, based on the information provided by the Company, the Company may proceed with the New Spin-off Proposal.

In order to enable the Proposed Spin-off and the Modified Distribution to be made in accordance with the New Spin-off Proposal, a number of approvals have to be sought from CPP Ordinary Shareholders and/or CPP Preference Shareholder(s) respectively and an amendment to certain provisions in the Bye-laws would be necessary.

The CTEI Share Option Scheme was conditionally adopted by written resolution of the Company, in the capacity of the sole shareholder of CTEI, on 26 September 2014 in its original form and then on 18 March 2015 in its revised form. Although following the Modified Distribution, the Company will have no interest in the issued share capital of CTEI, the CTEI Share Option Scheme constitutes a share option scheme governed by Chapter 17 of the Listing Rules. Therefore, pursuant to Rules 17.01(1) and 17.02(1) (a) of the Listing Rules, the adoption by CTEI of the CTEI Share Option Scheme is subject to the approval of the CPP Ordinary Shareholders.

The purposes of this circular are:

- (i) to provide CPP Shareholders with further information on the New Spin-off Proposal, the Modified Distribution, the Proposed Amendment of Bye-laws and the CTEI Share Option Scheme (as revised);
- (ii) to give notice to CPP Ordinary Shareholders of the Class Meeting at which a special resolution will be proposed to approve the variation of certain special rights attached to the CPP Ordinary Shares and the CPP Preference Shares respectively which would result from the Modified Distribution; and
- (iii) to give notice to CPP Shareholders of the SGM at which a special resolution will be proposed to approve the Proposed Amendment of Bye-laws and ordinary resolutions will be proposed to approve the declaration of the Special Dividend to be satisfied by way of the Modified Distribution and the proposed adoption of the CTEI Share Option Scheme.

LETTER FROM THE BOARD

2 PROPOSED SPIN-OFF AND 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.

The CTEI Group is engaged in the biochemical business which focuses on the manufacture and sale of CTC products. CTC products produced by the CTEI Group are marketed mainly under its own brands and sold to customers in the PRC and overseas, which are mainly feed mills, pharmaceutical companies and trading companies. The CTEI Group also holds interests in a joint venture and an associated company engaged in the industrial business. The joint venture focuses on the trading, leasing and customer service of Caterpillar Products in Yunnan, Guizhou, Sichuan, Shaanxi, Gansu and Qinghai provinces, Ningxia Hui Autonomous Region, Tibet Autonomous Region and Chongqing municipality in the PRC. The associated company is engaged in the manufacture and sale of carburetors and automotive parts.

The Company proposes to proceed with the Proposed Spin-off in accordance with the New Spin-off Proposal 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 conditional special interim dividend to the CPP Shareholders, to be satisfied by way of the Modified Distribution, which will comprise of a distribution in specie of:

- CTEI Ordinary Shares, which will be listed on the Stock Exchange, being distributed to CPP Ordinary Shareholders; and
- CTEI Preference Shares, which will be unlisted but, subject to the conversion not resulting in CTEI failing to meet the public float requirement under the Listing Rules applicable to CTEI, can be converted into CTEI Ordinary Shares, being distributed to CPP Preference Shareholder(s);

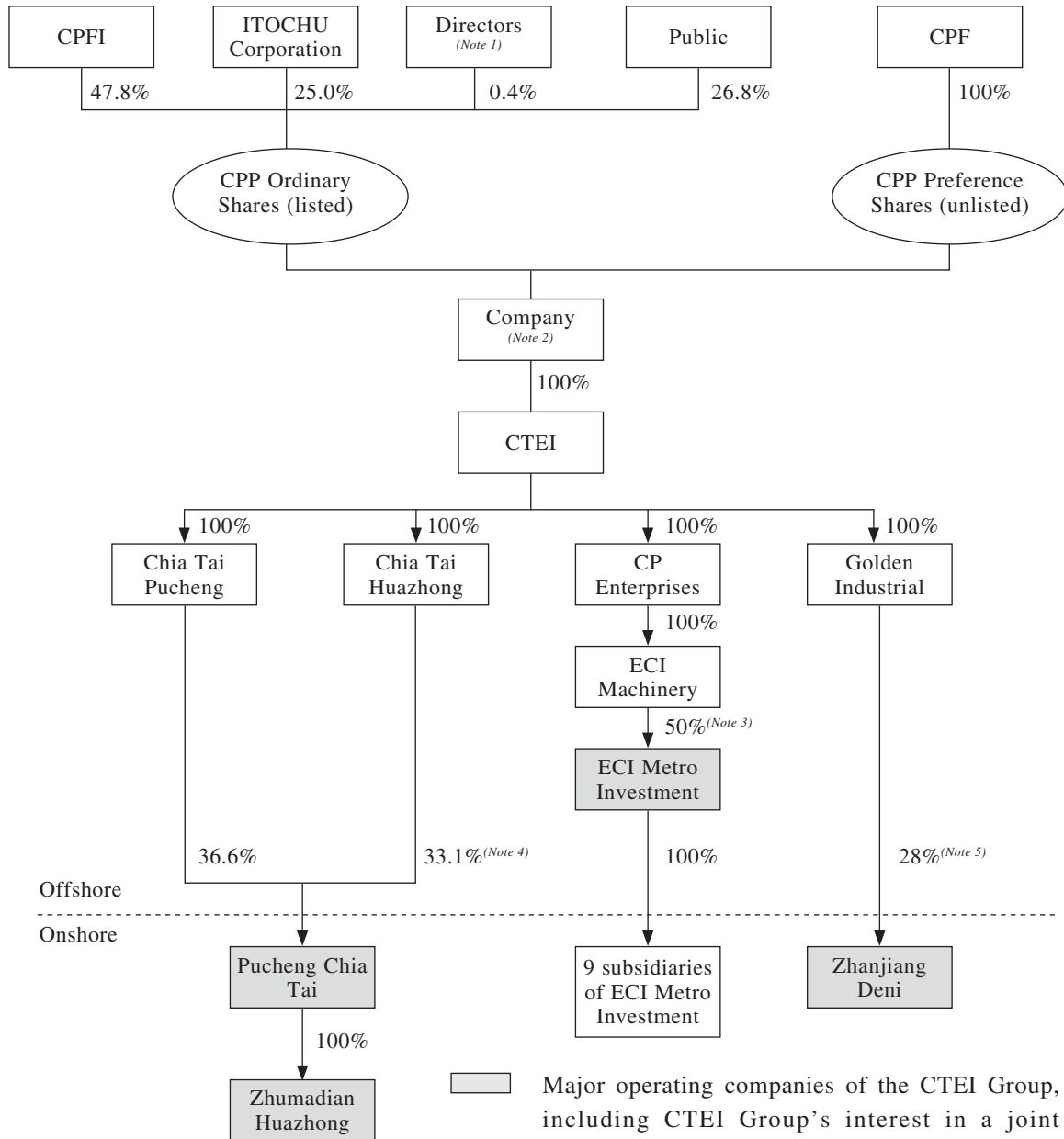
in both cases if such holders are Qualifying Shareholders and in proportion to their respective holdings of CPP Ordinary Shares or, as the case may be, CPP Preference Shares on the Distribution Record Date.

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 Modified Distribution shall be conditional on (i) the approval of CPP Ordinary Shareholders at the Class Meeting holding not less than three-fourths in nominal value of the CPP Ordinary Shares in issue, and the approval of CPP Preference Shareholder(s) holding not less than three-fourths in nominal value of the CPP Preference Shares in issue by way of the Written Consent, being obtained in respect of the proposed variation of special rights attached to the CPP Ordinary Shares and CPP Preference Shares respectively which will result from the Modified Distribution; (ii) the approval at the SGM of the Proposed Amendment of Bye-laws, the declaration of the Special Dividend and the Modified Distribution being obtained, and (iii) the Stock Exchange granting the Listing Approval.

LETTER FROM THE BOARD

The following diagram is a simplified corporate structure illustrating the holding structure of CTEI Group's major operating companies, including CTEI Group's interest in a joint venture, ECI Metro Investment, and in an associated company, Zhanjiang Deni, immediately following the completion of the Reorganisation but before the Modified Distribution and the Listing:



Note 1: The Directors who have interests in CPP Ordinary Shares are not directors of CTEI, except for one Director, who will cease to be a Director of the Company but will remain as a director of CTEI after the completion of the Proposed Spin-off and the Listing.

Note 2: The shareholding percentages in the Company shown in this diagram are based on the total issued share capital of the Company as at the Latest Practicable Date. The Company is also engaged in other businesses, which are not shown in this diagram.

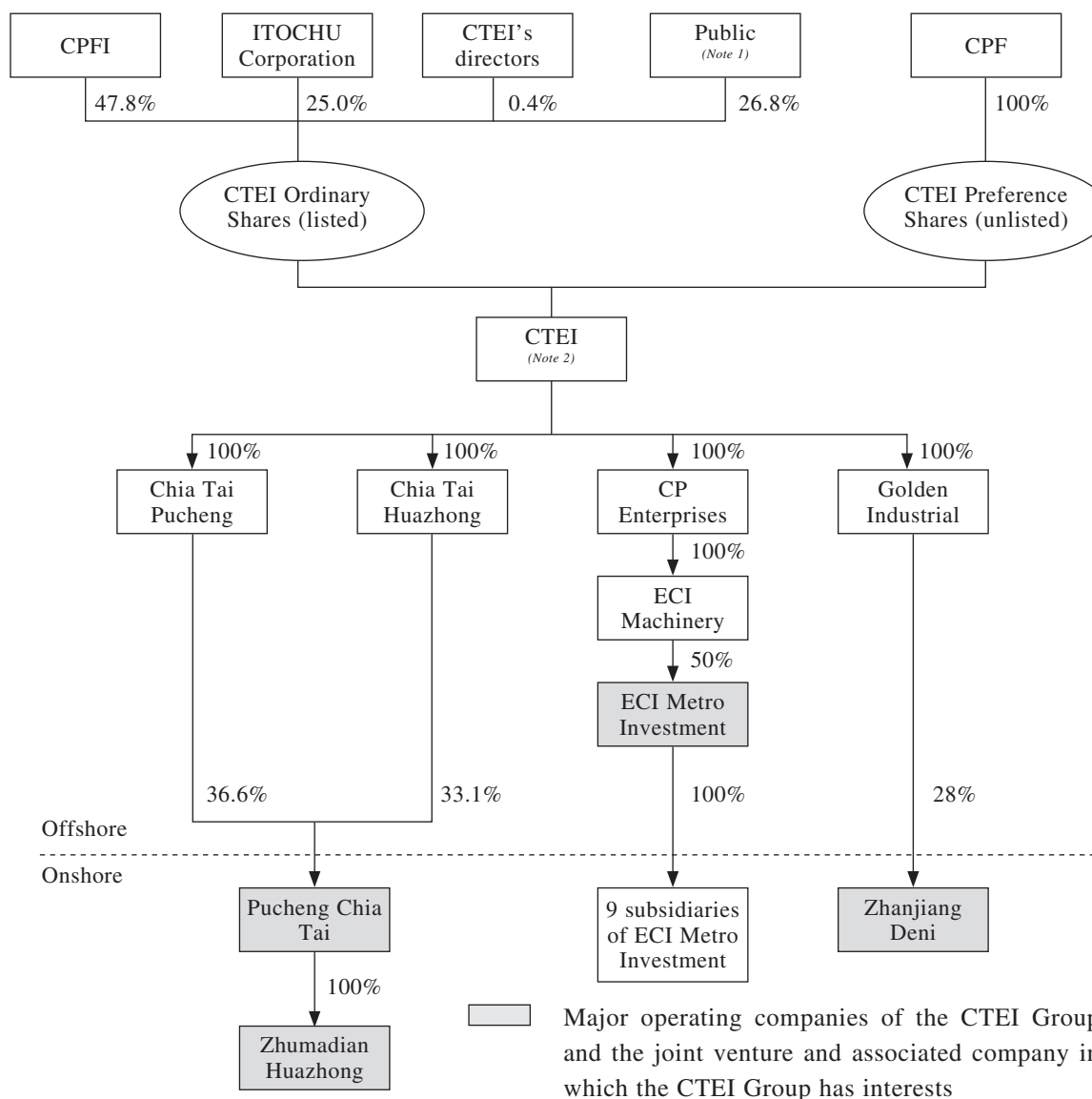
Note 3: The remaining 50% shareholding in ECI Metro Investment is held by Metro Tractor Co., Ltd., an independent third party of the Company.

LETTER FROM THE BOARD

Note 4: The remaining 30.3% equity interest in Pucheng Chia Tai is held as to 15.3%, 14.2%, 0.5% and 0.3% by Local State-owned Fujian Province Pucheng County Biochemical Factory (“**Pucheng County Biochemical Factory**”), Zhengzhou Jinyuweiye Investment Co. Ltd. (“**Zhengzhou Jinyuweiye**”), Pucheng County Xinglv Gongyipin Co. Ltd. and Shanghai Zhengcheng Mechanical-Electrical Manufacturing Co. Ltd., respectively. Apart from Pucheng County Biochemical Factory and Zhengzhou Jinyuweiye (which are substantial shareholders of Pucheng Chia Tai), the other equity holders are independent third parties of the Company.

Note 5: The remaining 72% equity interest in Zhanjiang Deni is held as to 52% and 20% by Dongfeng Electronic Technology Co. Ltd. and Guangdong Rising Nonferrous Metals Group Co. Ltd., respectively which are independent third parties of the Company.

The following diagram is a simplified corporate structure illustrating the holding structure of CTEI Group’s major operating companies, including CTEI Group’s interest in a joint venture, ECI Metro Investment, and in an associated company, Zhanjiang Deni, immediately after the completion of the Reorganisation and the Modified Distribution and upon the Listing:



Note 1: The interests of the Company’s Directors who are not directors of CTEI are included in the shareholding of the public.

Note 2: The shareholding percentages in CTEI shown in this diagram are based on information on shareholdings in the Company as of the Latest Practicable Date and assuming they will remain unchanged on the Distribution Record Date.

LETTER FROM THE BOARD

The Proposed Spin-off and Listing is subject to:

- (a) the final decisions of the Board and of the CTEI Board;
- (b) approval being given by CPP Ordinary Shareholders at the Class Meeting and the Written Consent being obtained from CPP Preference Shareholder(s) for the variation of certain special rights attached to the CPP Ordinary Shares and CPP Preference Shares respectively, resulting from the Modified Distribution;
- (c) approval being given at the SGM for the Proposed Amendment to Bye-laws, the declaration of the Special Dividend and the Modified Distribution; and
- (d) the Listing Approval being obtained.

It is intended that an application for the listing of and permission to deal in, the CTEI Ordinary Shares in issue following the Capitalisation Issue, the CTEI Ordinary Shares into which CTEI Preference Shares will be converted upon exercise of the conversion rights attached to them, and any CTEI Ordinary 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 will be made as soon as practicable following the Class Meeting and the SGM if the approvals and Written Consent referred to in paragraphs (b) and (c) above are obtained.

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.

The following table sets forth key financial information of the CTEI Group which has been extracted from the unaudited combined financial statements of the CTEI Group for each of the years ended 31 December 2011, 2012 and 2013 and the six months ended 30 June 2014:

	As at 31 December			As at 30 June
	2011	2012	2013	2014
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Net assets	85,857	98,056	134,613	169,328
				Six months
				ended
				30 June
				2014
				<i>US\$'000</i>
				Year ended 31 December
				2011
				2012
				2013
				<i>US\$'000</i>
Revenue	119,976	132,274	122,219	55,000
Profit before tax	28,576	33,105	35,271	16,164
Profit after tax	22,126	24,564	33,386	13,967
Net profit attributable to shareholders of CTEI	16,307	17,714	27,790	11,416

LETTER FROM THE BOARD

3 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 CPP Shareholders as a whole. The Directors also believe that the Proposed Spin-off and Listing will better position each of the 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 for the biochemical business and the industrial business:*** 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 the 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 Company has been continuously listed on the Stock Exchange since 1988. Prior to 2008, the Group was principally engaged in the agribusiness and the biochemical business operated by the CTEI Group together with its interests in the industrial business, as well as the manufacture and sale of motorcycles. In August 2008, it completed the disposal of its agribusiness operations. From that time onwards until February 2010, the Company continued to be listed on the Main Board of the Stock Exchange when the Group's principal businesses were the biochemical business currently operated by the CTEI Group and the industrial business in which the CTEI Group currently has interests, as well as the manufacture of motorcycles. Interests in the agribusiness were subsequently re-introduced to the Group pursuant to a restructuring completed at the end of February 2010. CTEI will following the Proposed Spin-off therefore be substantially comparable to the Company as it was between August 2008 and February 2010.

CTEI Group's biochemical and industrial activities have been a relatively small part of the Group and their share of resources and management attention of the Group is relatively small. Following the Proposed Spin-off and Listing, the CTEI Group under its dedicated management team will be able to capture resources and develop and pursue strategies which are aimed at further expanding its own biochemical business and interests in industrial business.

- (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.

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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 interest in industrial business:*** CTEI Group is one of the leading CTC producers globally, and has interests in a sales distributor for Caterpillar Products with its service territory covering 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 the 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, the 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 New Spin-off Proposal will be implemented by way of the Modified 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 CPP Shareholders as a result of the Proposed Spin-off.

4 VARIATION OF CLASS RIGHTS, PROPOSED AMENDMENT OF BYE-LAWS AND MODIFIED DISTRIBUTION

Reference is made to the circular of the Company dated 14 November 2014, it was previously intended that the Special Dividend would be satisfied by way of a distribution in specie of the entire issued share capital of CTEI, consisting of one single class of shares, 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 CPP Preference Shareholders as at the Distribution Record Date, in proportion to the number of CPP Ordinary Shares into which their respective holdings of CPP Preference Shares might be converted in accordance with the Bye-laws and on an as converted basis based on their respective holdings of CPP Preference Shares on the Distribution Record Date).

The Company now proposes to distribute to CPP Shareholders the entire issued share capital of CTEI comprising a share capital structure which, at the time of the Modified Distribution and the Listing, is as far as practicable identical to that of the Company. This would be achieved if the Modified Distribution is made in accordance with the New Spin-off Proposal, in other words, on the basis that the issued share capital of CTEI which is proposed to be distributed in specie to CPP Shareholders would consist of CTEI Ordinary Shares and CTEI Preference Shares and that CPP Ordinary Shareholders would receive listed CTEI Ordinary Shares and CPP Preference Shareholder(s) would receive unlisted CTEI Preference Shares.

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However, under the Bye-laws, each CPP Preference Share shall confer on its holder the right to receive dividend declared by the Company *pari passu* with CPP Ordinary Shareholders on the basis of the number of CPP Ordinary Share(s) into which each CPP Preference Share can be converted in accordance with the provisions of the Bye-laws and on an as converted basis. As the proposed Modified Distribution would amount to a variation of the special rights attached to the CPP Ordinary Shares and CPP Preference Shares respectively as described above, the Company will seek the sanction to be obtained by a special resolution to be passed at the Class Meeting to approve such variation. In addition, the Company will also seek the Written Consent of CPP Preference Shareholder(s).

Bye-law 128 of the Bye-laws provides that any general meeting declaring a dividend may by ordinary resolution, upon the recommendation of the Board, direct payment or satisfaction of such dividend wholly or in part by the distribution of specific assets, and Bye-law 5(B) of the Bye-laws provides that:

*“Each Convertible Preference Share shall confer on the holder thereof the right to receive, out of the funds of the Company available for distribution and resolved to be distributed, dividend *pari passu* with holders of Ordinary Shares on the basis of the number of Ordinary Share(s) into which each Convertible Preference Share may be converted in accordance with Bye-law 5(F) and on an as converted basis.”*

To enable the proposed Modified Distribution to be made, the provisions of Bye-law 5(B) of the Bye-laws will need to be amended. It is proposed that Bye-law 5(B) of the Bye-laws shall be amended by the addition of the following to the end of the existing provisions of Bye-law 5(B):

“, save and provided that in the event that the Company declares a dividend which is to be satisfied by way of distribution of the entire issued share capital of the wholly owned subsidiary of the Company, Chia Tai Enterprises International Limited (“CTEI”), consisting of ordinary shares and convertible preference shares to the holders of Ordinary Shares and Convertible Preference Shares by way of dividend in specie, such dividend as declared by the Company and payable to the holders of Convertible Preference Shares shall be satisfied exclusively by the distribution of convertible preference shares of CTEI, whilst such dividend as declared by the Company and payable to the holders of Ordinary Shares shall be satisfied exclusively by the distribution of ordinary shares of CTEI”.

The Company will seek the sanction of a special resolution to be proposed at the SGM for the above mentioned Proposed Amendment of Bye-laws.

On 18 March 2015, the Board conditionally approved the proposal relating to the modification of the proposed Special Dividend, an earlier version of which had previously been conditionally approved and recommended by the Board on 12 November 2014, which would be satisfied by the Modified Distribution. The Special Dividend and the Modified Distribution are subject to the approval of the resulting variations of certain rights of the CPP Ordinary Shareholders and the CPP Preference Shareholder(s) respectively given by the CPP Ordinary Shareholders at the Class Meeting and by the CPP Preference Shareholder(s) by way of the Written Consent, the approval of the Proposed Amendment of Bye-laws and the approval of the Special Dividend and the Modified Distribution at the SGM as required under Bye-law 128 of the Bye-laws and the Listing Approval being obtained. The amount of the Special Dividend to be distributed by the Company 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 Qualifying Shareholders.

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As at the Latest Practicable Date, CTEI had 11,952,000 CTEI Ordinary Shares in issue. Based on the issued share capital of the Company as at the Latest Practicable Date and assuming this will remain unchanged on the Distribution Record Date, 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 new 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, and is not subject to the approval by the Shareholders.

Pursuant to the Modified Distribution, 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 on information about the special arrangements to facilitate the disposal of any CTEI Ordinary Shares which the Qualifying Shareholders may receive in odd lots. Based on the issued share capital of the Company as at the Latest Practicable Date and assuming this will remain unchanged on the Distribution Record Date, the number of CTEI Ordinary Shares and CTEI Preference Shares to be distributed pursuant to the Modified Distribution will be up to 240,718,372 and 12,610,777 respectively, which will in aggregate comprise the entire issued share capital of CTEI.

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 Shares under the Modified Distribution, the Overseas Shareholders (if any) will be entitled to the Modified Distribution but will not receive CTEI Shares. 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 Shares 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. Following the determination of the Overseas Shareholders on the Distribution Record Date, the Company will publish an announcement which will include, among other things, the number of Overseas Shareholders who will not receive CTEI Shares under the Modified Distribution and the jurisdiction(s) involved (if any).

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Under the requirements of Practice Note 15 of the Listing Rules, the Company is expected to have due regard to the interests of CPP Shareholders by providing them with an assured entitlement to the CTEI Shares. The Board intends to fulfil the assured entitlement requirement in Practice Note 15 of the Listing Rules by the satisfaction of the Special Dividend by the Modified Distribution, subject to the relevant approvals being obtained at the Class Meeting and the SGM and the Written Consent being obtained. The expected timetable for the Proposed Spin-off and the Listing will be announced in due course.

The New Spin-off Proposal and Listing are subject to the final decisions of the Board and of the CTEI Board, the sanction of CPP Ordinary Shareholders to be obtained at the Class Meeting and of CPP Preference Shareholder(s) by the Written Consent and to the approval to be obtained at the SGM of the Proposed Amendment of Bye-laws, the declaration of the Special Dividend and the Modified Distribution. 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 Spin-off 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.

5 ADOPTION OF THE CTEI SHARE OPTION SCHEME

The CTEI Share Option Scheme was adopted by written resolution of the Company, in its capacity as the sole shareholder of CTEI, passed on 26 September 2014 in its original form and then on 18 March 2015 in its revised form, and is conditional on:

- (a) the CTEI Share Option Scheme being approved by ordinary resolution at the SGM; and
- (b) the Listing Approval (which includes the listing of, and permission to deal in, the CTEI Ordinary Shares which may fall to be issued pursuant to the exercise of Options which may be granted under the CTEI Share Option Scheme) being obtained and the commencement of dealings in the CTEI Ordinary Shares on the Main Board of the Stock Exchange.

A summary of the principal terms of the rules of the CTEI Share Option Scheme is set out in the Appendix to this circular.

The purpose of the CTEI Share Option Scheme is to enable the CTEI Board to grant options to selected Eligible Persons as incentives or rewards for their contribution or potential contribution to the CTEI Group. The Board considers that it is in line with modern commercial practice that appropriate Eligible Persons selected by the CTEI Board from time to time on the basis of their contribution or potential contribution to the development and growth of the CTEI Group, should be given incentives in the form of options to subscribe for CTEI Ordinary Shares.

The terms of the CTEI Share Option Scheme provide that in granting options under the CTEI Share Option Scheme, the CTEI Board can determine whether there is any minimum holding period, and whether there is any performance target which must be achieved, before an option granted under the CTEI Share Option Scheme can be exercised. The CTEI Board will also determine the option price per share payable on the exercise of an option according to the terms of the CTEI Share Option Scheme. With such conditions, together with the incentive that the option will bring about, the CTEI Board would be able to ensure a specified level of standard, which the CTEI Board believes will serve the purpose of the CTEI

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Share Option Scheme. Subject to the CTEI Share Option Scheme becoming effective, the CTEI Board intends to exercise its powers under the CTEI Share Option Scheme during the Scheme Period with the objective of serving the purposes of the CTEI Share Option Scheme as stated above.

The Board and the CTEI Board consider that it is not appropriate to state the value of all options that can be granted under the CTEI Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of the option value have not been determined. Such variables include the exercise price, exercise period, lock up period (if any), performance targets set (if any) and other relevant variables. The Board and the CTEI Board believes that any calculation of the value of any option which might have been granted on the Latest Practicable Date would be based on a number of speculative assumptions and would therefore not be meaningful but would be misleading to the Shareholders.

The CTEI Board or a duly constituted committee of the CTEI Board will be responsible for administering the CTEI Share Option Scheme. There are no trustees appointed for the purposes of the CTEI Share Option Scheme.

The CTEI Share Option Scheme will become effective on the Listing Date subject to (i) the passing of an ordinary resolution at the SGM to approve and adopt the CTEI Share Option Scheme; (ii) the Listing Committee granting the Listing Approval; and (iii) the commencement of dealings in the CTEI Ordinary Shares on the Main Board of the Stock Exchange.

Pursuant to Note (1) to Rule 17.03(3) of the Listing Rules, the total number of securities which may be issued upon exercise of all options to be granted under a share option scheme and any other schemes must not in aggregate exceed 10% (the “**General Scheme Limit**”) of the relevant class of securities of the listed issuer (or the subsidiary) in issue as of the date of approval of the scheme, that is, the date of the SGM.

As at the Latest Practicable Date, CTEI had 11,952,000 CTEI Ordinary Shares in issue. Based on the issued share capital of the Company as at the Latest Practicable Date and assuming this will remain unchanged on the Distribution Record Date, 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 new 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 Shareholders.

Taking into consideration the fact that (i) the CTEI Share Option Scheme does not become effective until, among other things, the commencement of dealings in the CTEI Ordinary Shares on the Stock Exchange on the Listing Date and (ii) the significant increase in the number of CTEI Ordinary Shares expected to be in issue as at the Listing Date from the number of CTEI Ordinary Shares which will be in issue as at the date of the SGM, it is impracticable to set the General Scheme Limit of the CTEI Share Option Scheme by reference to the number of CTEI Ordinary Shares in issue as of the date of the SGM, as required by Note (1) to Rule 17.03(3) of the Listing Rules. The Company has therefore applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirement under Note (1) to Rule 17.03(3) of the Listing Rules so that the General Scheme Limit in respect of the CTEI Share Option

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Scheme can be based on the total number of CTEI Ordinary Shares in issue at the time when dealings in the CTEI Ordinary Shares first commence on the Stock Exchange on the Listing Date. Therefore, subject to the CTEI Share Option Scheme becoming effective and assuming no CTEI Ordinary Shares will be issued from the Latest Practicable Date to the Distribution Record Date, CTEI may grant options under the CTEI Share Option Scheme in respect of which up to 24,071,837 CTEI Ordinary Shares, being 10% of the CTEI Ordinary Shares in issue as at the Listing Date, may be issued (subject to further refreshments).

A copy of the rules of the CTEI Share Option Scheme will be available for inspection at the principal place of business of the Company in Hong Kong at 21st Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong during normal business hours on any business day from the date of this circular to and including the date of the SGM and will also be available for inspection at the SGM.

6 CLASS MEETING AND SGM

Set out on pages 29 to 30 is a notice convening the Class Meeting to be held at Suites 6411-6416, 64th Floor, Two International Finance Centre, 8 Finance Street, Hong Kong on Friday, 17 April 2015 at 9:30 a.m. at which a special resolution will be proposed for the purpose of considering and, if thought fit, approving the proposed variation of special rights attached to the CPP Ordinary Shares and CPP Preference Shares respectively, which will result from the Modified Distribution.

CPFI, being one of the CPP Ordinary Shareholders and a wholly-owned subsidiary of CPF, which as at the Latest Practicable Date is the only CPP Preference Shareholder, has informed the Company that it will on a voluntary basis abstain from voting on the foregoing resolution at the Class Meeting.

Set out on pages 31 to 33 is also a notice convening the SGM to be held at Suites 6411-6416, 64th Floor, Two International Finance Centre, 8 Finance Street, Hong Kong on Friday, 17 April 2015 at 9:35 a.m. at which a special resolution will be proposed for the purpose of considering, and if thought fit, approving the Proposed Amendment of Bye-laws and ordinary resolutions will be proposed for the purpose of considering and, if thought fit, approving the Special Dividend to be satisfied by way of the Modified Distribution and the adoption of the CTEI Share Option Scheme by CTEI.

CPFI has informed the Company that it will on a voluntary basis abstain from voting at the SGM on the special resolution to approve the Proposed Amendment of Bye-laws and the ordinary resolution to approve the Special Dividend to be satisfied by way of the Modified Distribution.

In addition, Bye-law 5(E)(i) of the Bye-laws provides that the CPP Preference Shares shall not confer on the CPP Preference Shareholders the right to attend and vote at a general meeting of the Company, unless a resolution is to be proposed at a general meeting for winding-up of the Company or a resolution is to be proposed which if passed would vary or abrogate the rights or privileges of the CPP Preference Shareholders or vary the restrictions to which the CPP Preference Shareholders are subject, in which event the CPP Preference Shares shall confer on the CPP Preference Shareholders the right to attend that general meeting and vote in relation to such resolution.

Pursuant to Bye-law 5(E)(ii) of the Bye-laws, where the CPP Preference Shareholders are entitled to vote on any resolution, at the relevant general meeting or class meeting, on a show of hands every CPP Preference Shareholder who is present in person or by proxy or (being a corporation) by a representative shall have one vote, and on a poll, every CPP Preference Shareholder who is present in person or by proxy

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or (being a corporation) by a representative shall have one vote for each CPP Ordinary Share into which the CPP Preference Shares held by him would be converted based on a conversion date for such CPP Preference Shares being a date two days preceding the date of such general meeting or class meeting.

Accordingly, CPF which as at the Latest Practicable Date is the only CPP Preference Shareholder, is entitled to attend the SGM and vote in relation to the special resolution to approve the Proposed Amendment of Bye-laws. However, CPF has informed the Company that it will on a voluntary basis abstain from voting on the foregoing resolution at the SGM.

To the best knowledge of the Directors, none of the other CPP Shareholders is required to abstain from voting on any of the foregoing resolutions at either the Class Meeting or the SGM.

7 RECOMMENDATION

The Board considers that the Special Dividend and the Modified Distribution and the approval of the CTEI Share Option Scheme are in the best interests of the Company and CPP Shareholders as a whole. Accordingly, the Board recommends all CPP Shareholders to vote in favour of the relevant resolutions to be proposed at the Class Meeting and the SGM.

All the resolutions put to the vote at the Class Meeting and the SGM respectively will be taken by way of poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the Class Meeting and a form of proxy for use at the SGM are enclosed. Whether or not you are able to attend the Class Meeting and/or the SGM, you are requested to complete and return the respective forms of proxy to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Class Meeting and the SGM respectively (or any adjournment thereof). Completion and return of either form of proxy will not preclude you from attending and voting in person at the Class Meeting or, as the case may be, the SGM (or any adjourned meeting) should you so wish.

8 RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

Yours faithfully,
By Order of the Board
Arunee Watcharananan
Director

**APPENDIX SUMMARY OF THE PRINCIPAL TERMS OF THE RULES
OF THE CTEI SHARE OPTION SCHEME**

For the purpose of this Appendix only, “**CTEI Group**” means CTEI and any entity in which CTEI directly or indirectly, holds (or proposes to acquire) any equity interest.

The following is a summary of the principal terms of the rules of the CTEI Share Option Scheme proposed to be approved and adopted at the SGM:

(i) Purpose of the CTEI Share Option Scheme

The purpose of the CTEI Share Option Scheme is to enable CTEI to grant Options to selected Eligible Persons as incentives or rewards for their contribution or potential contribution to the CTEI Group.

(ii) Who may join and basis of eligibility

Subject to the rules of the CTEI Share Option Scheme and all applicable regulatory and legal requirements including, if applicable, any codes of conduct, the CTEI Board may, at its absolute discretion and on such terms as it may think fit, grant Options to any Eligible Person to subscribe at a price calculated in accordance with paragraph (iii) below for such number of CTEI Ordinary Shares as it may determine in accordance with the terms of the CTEI Share Option Scheme.

The basis of eligibility of any of the Eligible Persons to the grant of Options shall be determined by the CTEI Board from time to time on the basis of his contribution or potential contribution to the development and growth of the CTEI Group.

(iii) Option price for subscription of CTEI Ordinary Shares

The option price per CTEI Ordinary Share payable on the exercise of an Option is to be determined by the CTEI Board provided always that it shall be at least the higher of:

- (i) the closing price of the CTEI Ordinary Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Date of Grant; and
- (ii) the average closing price of the CTEI Ordinary Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Grant,

(as subsequently adjusted pursuant to the terms of the CTEI Share Option Scheme, if relevant), provided that the option price per CTEI Ordinary Share shall in no event be less than the nominal amount of one CTEI Ordinary Share.

(iv) Payment on grant of Option

A grantee is not required to pay for the grant of any Option.

(v) Maximum number of CTEI Ordinary Shares issuable

- A. Subject to sub-paragraphs (B) and (C) below, the maximum number of CTEI Ordinary Shares issuable upon exercise of all options to be granted under the CTEI Share Option Scheme and any other share option schemes of CTEI as from the commencement of the

Scheme Period (excluding, for this purpose, options which have lapsed in accordance with the terms of the CTEI Share Option Scheme or any other share option schemes of CTEI) must not in aggregate exceed 10% of the CTEI Ordinary Shares in issue as at the Listing Date (the “**Scheme Mandate**”). The CTEI Ordinary Shares underlying any options granted under the CTEI Share Option Scheme or any other share option schemes of CTEI which have been cancelled (but not options which have lapsed in accordance with the terms of the CTEI Share Option Scheme or (as the case may be) any other share option schemes of CTEI) will be counted for the purpose of the Scheme Mandate.

- B. The Scheme Mandate may be refreshed at any time by obtaining approval of the CTEI Ordinary Shareholders at general meeting provided that the new limit under the refreshed Scheme Mandate must not exceed 10% of the CTEI Ordinary Shares in issue at the date of the CTEI Ordinary Shareholders’ approval of such refreshed Scheme Mandate (or any other limit(s) provided in the Listing Rules). Options previously granted under the CTEI Share Option Scheme or any other share option schemes of CTEI (including those exercised, outstanding, cancelled or lapsed in accordance with the terms of the CTEI Share Option Scheme or any other share option schemes of CTEI) will not be counted for the purpose of calculating the total number of CTEI Ordinary Shares subject to the refreshed Scheme Mandate.
- C. CTEI may also, by obtaining separate approval of the CTEI Ordinary Shareholders at general meeting, grant Options to subscribe for CTEI Ordinary Shares (whether under the CTEI Share Option Scheme or otherwise) beyond the Scheme Mandate provided the Options in excess of the Scheme Mandate are granted only to Eligible Persons specifically identified by CTEI before such approval is sought.
- D. The aggregate number of CTEI Ordinary Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the CTEI Share Option Scheme and any other share option schemes of CTEI must not exceed 30% of the CTEI Ordinary Shares in issue from time to time (or any other limit(s) provided in the Listing Rules).

(vi) Maximum entitlement of each Eligible Person

The maximum number of CTEI Ordinary Shares issued and to be issued upon exercise of options granted under the CTEI Share Option Scheme and any other share option schemes of CTEI to any Eligible Person (including cancelled, exercised and outstanding options), in any 12-month period up to the Date of Grant shall not exceed 1% of the CTEI Ordinary Shares in issue. Any further grant of Options in excess of such limit must be separately approved by CTEI Ordinary Shareholders with such Eligible Person and his close associates (or his associates if that Eligible Person is a connected person) abstaining from voting.

(vii) Grant of options to certain connected persons

- A. Any grant of an Option to a director, chief executive or substantial shareholder of CTEI (or any of their respective associates) must be approved by the independent non-executive directors (excluding any independent non-executive director of CTEI who is the grantee of the option).

- B. Where any grant of Options to a substantial shareholder or an independent non-executive director of CTEI (or any of their respective associates) will result in the total number of CTEI Ordinary Shares issued and to be issued upon exercise of options already granted and to be granted to such person under the CTEI Share Option Scheme and any other share option schemes of CTEI (including options exercised, cancelled and outstanding) in any 12-month period up to and including the Date of Grant to:–
- (i) represent in aggregate over 0.1% of the CTEI Ordinary Shares in issue; and
 - (ii) have an aggregate value, based on the closing price of the CTEI Ordinary Shares at each Date of Grant, in excess of HK\$5 million

(or any other limit(s) provided in the Listing Rules), such further grant of Options is required to be approved by CTEI Ordinary Shareholders at a general meeting of CTEI. The grantee of the Option, his associates and all core connected persons of CTEI shall abstain from voting at such general meeting. Any change in the terms of an Option granted to a substantial shareholder of CTEI or an independent non-executive director of CTEI or any of their respective associates is also required to be approved by CTEI Ordinary Shareholders in the aforesaid manner.

(viii) Time of exercise of Option

An Option may be exercised in accordance with the terms of the CTEI Share Option Scheme at any time during a period commencing on such date on or after the Date of Grant as the CTEI Board may determine in granting the Option and expiring at the close of business on such date as the CTEI Board may determine in granting the Option but in any event shall not exceed ten years from the Date of Grant.

(ix) Performance targets

Save as determined by the CTEI Board and provided in the offer of the grant of the relevant Option, there is no performance target which must be achieved before any of the Options can be exercised.

(x) Ranking of CTEI Ordinary Shares

If under the terms of a resolution passed or an announcement made by CTEI prior to the date of exercise of an Option, a dividend is to be or is proposed to be paid, or CTEI Ordinary Shares are to be issued or proposed to be issued by way of the capitalisation of profits or reserves or by way of rights under an offer made pro rata, to CTEI Ordinary Shareholders on the register of members of CTEI on a date prior to such date of exercise, the CTEI Ordinary Shares to be issued upon such exercise will not rank for such dividend or such CTEI Ordinary Shares. Subject as aforesaid, CTEI Ordinary Shares allotted upon the exercise of an outstanding Option will be subject to all the provisions of the memorandum of association and bye-laws of CTEI for the time being in force and will rank pari passu in all respects with the CTEI Ordinary Shares in issue on the date of such exercise. CTEI Ordinary Shares allotted upon the exercise of an Option for the time being outstanding shall not carry voting rights until completion of the registration of the option holder (or any other person) as the holder thereof.

(xi) Rights are personal to grantee

Except in relation to the transmission of an Option to the personal representatives of a grantee following the death of the grantee, an Option shall not be transferable or assignable and shall be personal to the grantee of the Option.

(xii) Rights of exercise for grantees

If a grantee of an Option who at the time of grant of an Option to him qualified as an Eligible Person under any of the criteria set out in the definition of “Eligible Person” ceases to be qualified under such criterion, the CTEI Board in its absolute discretion may decide that such Option or any part thereof shall not so lapse or determine subject to such conditions or limitations as it may decide (including in the case where when he so ceases he still qualifies as an Eligible Person because he falls within another criterion set out in the definition of “Eligible Person”).

(xiii) Rights on exercise for grantees which were companies controlled by any of the Eligible Persons

In respect of any Option granted to a company which qualified as an Eligible Person because it was a company controlled by a person (“**Such Person**”) who was an Eligible Person:

- (i) the relevant provisions set out in paragraphs (xii) (as the case may be) would apply to its outstanding Option as if the Option had been granted to Such Person; and
- (ii) its outstanding Option shall lapse on the date it ceases to be a company controlled by Such Person,

provided always that in each case the CTEI Board in its absolute discretion may decide that such Option or any part thereof shall not so lapse or determine subject to such conditions or limitations as it may decide.

(xiv) Failure to meet continuing eligibility criteria

If the CTEI Board in the grant of the relevant Option has specified that the grantee has to meet certain continuing eligibility criteria and that the failure of the grantee to meet any such continuing eligibility criterion would entitle CTEI to cancel the Option then outstanding (or part thereof), then upon the failure of the grantee to meet any such continuing eligibility criterion, his outstanding Option shall lapse and determine on the date the CTEI Board exercises CTEI’s right to cancel the Option on the ground of such failure.

(xv) Rights on a general offer

If a general offer by way of takeover is made to all the CTEI Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or connection with the offeror, the grantee of an Option shall, subject to paragraph (viii) above, be entitled to exercise at any time within a period of fourteen days after such control has been obtained by the offeror any Option in whole or in part to the extent not already exercised (and notwithstanding any restrictions which would otherwise have prevented such Option from being exercisable at that time). For the avoidance of doubt, an Option not so exercised shall remain valid in accordance with its terms and subject to such restrictions as applied to it before the general offer.

(xvi) Rights on winding-up

If notice is given by CTEI to CTEI Shareholders of a special general meeting at which a resolution will be proposed for the voluntary winding-up of CTEI, CTEI shall forthwith give notice to all grantees

**APPENDIX SUMMARY OF THE PRINCIPAL TERMS OF THE RULES
OF THE CTEI SHARE OPTION SCHEME**

of Options and each grantee shall be entitled, at any time no later than two business days prior to the proposed meeting, to exercise any of his outstanding Options in whole or in part to the extent not already exercised (and notwithstanding any restrictions which would otherwise have prevented such Option from being exercisable at that time). If such resolution is duly passed, all Options shall, to the extent that they have not been exercised, thereupon lapse and determine on the commencement of the winding-up.

(xvii) Rights on compromise or arrangement

In the event of a compromise or arrangement between CTEI and CTEI Shareholders or CTEI's creditors being proposed in connection with a scheme for the reconstruction or amalgamation of CTEI pursuant to the Companies Act, notice of the relevant meeting shall be given to the grantees of Options on the same day notice is given to the CTEI Shareholders and CTEI's creditors, and thereupon each grantee (or where permitted his personal representative(s)) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling two calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the Supreme Court of Bermuda be entitled to exercise his option, but such exercise of an option shall be conditional upon such compromise or arrangement being sanctioned by the Supreme Court of Bermuda and becoming effective. Failing such exercise, all options will lapse.

(xviii) Lapse of Options

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (i) the expiry of the period referred to in paragraph (viii) above;
- (ii) the date on which the grantee commits a breach of paragraph (xi) above, if the CTEI Board shall exercise CTEI's right to cancel the Option;
- (iii) the expiry of the relevant period or the occurrence of the relevant event referred to in paragraphs (xii), (xiii) or (xiv) above; and
- (iv) the expiry of any of the relevant periods referred to in paragraph (xv), (xvi) or (xvii) above.

(xix) Cancellation of Options granted but not yet exercised

Following the cancellation of any Options granted under the CTEI Share Option Scheme but not exercised, new Options may only be granted to the same grantee under the CTEI Share Option Scheme with available unissued Options (excluding the cancelled Options) within the limit of the Scheme Mandate then available to the CTEI Board.

(xx) Effects of alterations to capital

In the event of any variation in the issued share capital of CTEI arising from any issue of shares in or other securities of CTEI by way of capitalisation of profits or reserves or by way of rights under an offer made pro rata to CTEI Shareholders or from any sub-division or consolidation of shares in the capital of CTEI or reduction of the share capital of CTEI, the number of CTEI Ordinary Shares comprised in each Option for the time being outstanding and/or the option price thereunder may be adjusted in such manner as the CTEI Board (having, except in the case of an issue of CTEI Ordinary Shares or other

securities of CTEI by way of the capitalisation of profits or reserves, received a statement in writing from the auditors of CTEI or an independent financial adviser appointed for such purpose that in their opinion the adjustments satisfy the requirements of the relevant terms of the CTEI Share Option Scheme) may deem appropriate, provided always that (in the case of adjustment to the number of CTEI Ordinary Shares comprised in each outstanding Option) the grantee shall have the same proportion of the equity capital of CTEI represented by CTEI Ordinary Shares to which he was entitled before such adjustments, and that no such adjustments shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of CTEI Shares as consideration in a transaction will not be regarded as a circumstance requiring adjustment.

(xxi) Period of the CTEI Share Option Scheme

The CTEI Share Option Scheme will remain in force for a period of ten years commencing on the Listing Date and shall expire at the close of business on the day preceding the tenth anniversary thereof unless terminated earlier by CTEI Ordinary Shareholders in general meeting.

(xxii) Alteration to the CTEI Share Option Scheme

- A. No amendment shall be made to the terms and conditions of the CTEI Share Option Scheme which alters to the advantage of the grantees of the Options relating to matters governed by Rule 17.03 of the Listing Rules except with the prior approval of the CTEI Ordinary Shareholders in general meeting.
- B. Any amendment to any terms of the CTEI Share Option Scheme which are of a material nature or any change to the Options granted must be approved by CTEI Ordinary Shareholders in general meeting except where the alterations take effect automatically under the existing terms of the CTEI Share Option Scheme.
- C. Any change to the authority of the CTEI Board in relation to any alteration to the terms of the CTEI Share Option Scheme must be approved by CTEI Ordinary Shareholders in general meeting.
- D. Any amendment to any terms of the CTEI Share Option Scheme or the Options granted shall comply with the relevant requirements of Chapter 17 of the Listing Rules.

(xxiii) Restrictions on the time of grant of Option

A grant of Options may not be made at any time when CTEI is prohibited from doing so under any provisions of the Listing Rules.

(xxiv) Termination of the CTEI Share Option Scheme

CTEI may terminate the CTEI Share Option Scheme at any time following which no further options will be granted but in all other respects the rules of the CTEI Share Option Scheme shall continue in full force and effect in respect of such Options as may have been granted under the CTEI Share Option Scheme prior to such termination. Any Options granted prior to such termination, including Options exercised or outstanding under the CTEI Share Option Scheme, shall continue to be valid and exercisable in accordance with the rules of the CTEI Share Option Scheme.

(xxv) Relationship with employment

Nothing in the rules or the operation of the CTEI Share Option Scheme forms part of the contract of employment of an employee of a member of the CTEI Group. The rights and obligations arising from the employment relationship between the employee of a member of the CTEI Group and his employer are separate from, and are not affected by, the CTEI Share Option Scheme and do not give rise to any entitlement to selection of the employee by the CTEI Board for the grant of any Option. Participation in the CTEI Share Option Scheme does not create any right to, or expectation of, continued employment. Participation in the CTEI Share Option Scheme or the grant of Options on a particular basis in any year does not create any right to or expectation of participation in the CTEI Share Option Scheme or the grant of Options on the same basis, or at all, in any future year.

The employee of a member of the CTEI Group will have no claim or right of action in respect of any decision, omission or discretion which may operate to the disadvantage of the employee of a member of the CTEI Group even if it is unreasonable, irrational or might otherwise be regarded as being in breach of the duty of trust and confidence (and/or any other implied duty) between the employee of a member of the CTEI Group and his employer.

No employee of a member of the CTEI Group has any right to compensation for any loss in relation to the CTEI Share Option Scheme, including any loss in relation to:

- (i) any loss or reduction of rights or expectations under the CTEI Share Option Scheme in any circumstances (including lawful or unlawful termination of employment);
- (ii) any exercise of a discretion or a decision taken in relation to an Option or to the CTEI Share Option Scheme, or any failure to exercise a discretion or take a decision; or
- (iii) the operation, suspension, termination or amendment of the CTEI Share Option Scheme.

(xxvi) Data protection

By participating in the CTEI Share Option Scheme, the grantee of the Option consents to the holding and processing of personal data provided by the grantee to any member of the CTEI Group, trustee or third party service provider for all purposes relating to the operation of the CTEI Share Option Scheme. These include, but are not limited to:

- (i) administering and maintaining grantee records;
- (ii) providing information to members of the CTEI Group, trustees of any employee benefit trust, registrars, brokers or third party administrators of the CTEI Share Option Scheme;
- (iii) providing information to future purchasers of CTEI or the business in which the grantee works; and
- (iv) transferring information about the grantee to any country or territory even though it may not provide the same statutory protection for the information as the grantee's home country.

NOTICE OF CLASS MEETING



C.P. POKPHAND CO. LTD.

(Incorporated in Bermuda with limited liability)

(Stock Code: 43)

NOTICE is hereby given that a class meeting (the “**Class Meeting**”) of the ordinary shareholders of C.P. POKPHAND CO. LTD. (the “**Company**”) will be held at Suites 6411-6416, 64th Floor, Two International Finance Centre, 8 Finance Street, Hong Kong on Friday, 17 April 2015 at 9:30 a.m. to consider and, if thought fit, pass the following special resolution:

SPECIAL RESOLUTION

“**THAT**, in connection with the proposed spin-off of the wholly owned subsidiary of the Company, Chia Tai Enterprises International Limited (“**CTEI**”) for a separate listing (the “**Listing**”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and subject to:–

- (a) the approval by the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the ordinary shares of CTEI (the “**CTEI Ordinary Shares**”) in issue and which may be issued upon exercise of the conversion rights attached to the restricted voting convertible preference shares of CTEI (the “**CTEI Preference Shares**”) and any CTEI Ordinary Shares which may be issued pursuant to the exercise of options which may be granted under the share option scheme of CTEI (the “**CTEI Share Option Scheme**”) on the Main Board of the Stock Exchange; and
- (b) the passing of the special resolution in relation to the amendment of certain provisions of the bye-laws of the Company (the “**Proposed Amendment of Bye-laws**”) set out as the resolution numbered 1 in the notice of the special general meeting of the Company convened for the same date and place as this Class Meeting,

the variation of the special rights attached to the ordinary shares of US\$0.01 each in the capital of the Company (the “**CPP Ordinary Shares**”) and the restricted voting convertible preference shares of US\$0.01 each in the capital of the Company (the “**CPP Preference Shares**”) resulting from the Proposed Amendment of Bye-laws, namely that in the event that the Company declares a dividend which is to be satisfied by the distribution of the entire issued share capital of CTEI, consisting of CTEI Ordinary Shares and CTEI Preference Shares to the holders of CPP Ordinary Shares and CPP Preference Shares respectively by way of dividend in specie, such dividend as declared by the Company and payable to the holders of CPP Preference Shares shall be satisfied exclusively by the distribution of CTEI Preference Shares, whilst such dividend as declared by the Company and payable to the holders of CPP Ordinary Shares shall be satisfied exclusively by the distribution of CTEI Ordinary Shares, be and is hereby approved.”

By Order of the Board
Lau Wing Yuen
Company Secretary

Hong Kong, 26 March 2015

NOTICE OF CLASS MEETING

Notes:

1. A form of proxy for use at the Class Meeting is being despatched to the ordinary shareholders of the Company together with a copy of this notice.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person authorised to sign the same.
3. Any ordinary shareholder of the Company entitled to attend and vote at the Class Meeting convened by the above notice shall be entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong at Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the Class Meeting or any adjournment thereof.
5. Completion and deposit of the form of proxy will not preclude an ordinary shareholder of the Company from attending and voting in person at the Class Meeting convened or any adjourned meeting and in such event, the form of proxy will be deemed to be revoked.
6. Where there are joint holders of any ordinary share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such ordinary share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the Class Meeting, the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand on the register of members of the Company in respect of the joint holding.
7. The voting on the resolution to be put to the vote at the Class Meeting will be taken by way of poll.

NOTICE OF SPECIAL GENERAL MEETING



C.P. POKPHAND CO. LTD.

(Incorporated in Bermuda with limited liability)

(Stock Code: 43)

NOTICE is hereby given that a special general meeting (the “**Special General Meeting**”) of C.P. POKPHAND CO. LTD. (the “**Company**”) will be held at Suites 6411-6416, 64th Floor, Two International Finance Centre, 8 Finance Street, Hong Kong on Friday, 17 April 2015 at 9:35 a.m. (or as soon thereafter as the class meeting of the ordinary shareholders of the Company convened for the same date and place is concluded or adjourned) to consider and, if thought fit, pass the following ordinary resolutions (with or without modification) and special resolution:

SPECIAL RESOLUTION

1. “**THAT**, subject to the passing of the special resolution in relation to the variation of certain rights attached to the ordinary shares and the restricted voting convertible preference shares of the Company respectively set out in the notice of the class meeting of the Company convened for the same date and place as this Special General Meeting, Bye-law 5(B) of the bye-laws of the Company (the “**Bye-laws**”), which states:

“Each Convertible Preference Share shall confer on the holder thereof the right to receive, out of the funds of the Company available for distribution and resolved to be distributed, dividend pari passu with holders of Ordinary Shares on the basis of the number of Ordinary Share(s) into which each Convertible Preference Share may be converted in accordance with Bye-law 5(F) and on an as converted basis.”

be amended by the addition of the following to the end of the existing provisions of Bye-law 5(B):

“, save and provided that in the event that the Company declares a dividend which is to be satisfied by way of distribution of the entire issued share capital of the wholly owned subsidiary of the Company, Chia Tai Enterprises International Limited (“CTEI”), consisting of ordinary shares and convertible preference shares to the holders of Ordinary Shares and Convertible Preference Shares by way of dividend in specie, such dividend as declared by the Company and payable to the holders of Convertible Preference Shares shall be satisfied exclusively by the distribution of convertible preference shares of CTEI, whilst such dividend as declared by the Company and payable to the holders of Ordinary Shares shall be satisfied exclusively by the distribution of ordinary shares of CTEI”.”

NOTICE OF SPECIAL GENERAL MEETING

ORDINARY RESOLUTIONS

2. “**THAT**, in connection with the proposed spin-off of Chia Tai Enterprises International Limited (“**CTEI**”) for a separate listing (the “**Listing**”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and subject to (i) the approval by the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the ordinary shares of CTEI (the “**CTEI Ordinary Shares**”) in issue and which may be issued upon exercise of the conversion rights attached to the restricted voting convertible preference shares of CTEI (the “**CTEI Preference Shares**”) and any CTEI Ordinary Shares which may be issued pursuant to the exercise of options which may be granted under the share option scheme of CTEI (the “**CTEI Share Option Scheme**”) on the Main Board of the Stock Exchange (the “**Listing Approval**”); (ii) the passing of the special resolution in relation to the variation of certain rights attached to the ordinary shares and the restricted voting convertible preference shares of the Company respectively set out in the notice of the class meeting of the Company convened for the same date and place as this Special General Meeting and the special resolution in relation to the amendment of certain provisions of the Bye-laws set out as the resolution numbered 1 in the notice convening this Special General Meeting; and (iii) the compliance with the relevant requirements under Bermuda law:
- (a) a conditional special interim dividend (the “**Special Dividend**”) recommended by the board of directors of the Company (the “**Board**”) in accordance with the Bye-laws on the shares of the Company in the aggregate amount in United States dollars which is equal to the net asset value (excluding non-controlling interests) of CTEI and its subsidiaries (after the reorganisation in preparation for the Listing) (“**CTEI Group**”) as at the date of despatch of the share certificates for CTEI Ordinary Shares to the holders of ordinary shares of the Company (“**CPP Ordinary Shareholders**”) and of the share certificates of CTEI Preference Shares to the holder(s) of the preference shares of the Company (“**CPP Preference Shareholder(s)**”), in both cases if such holders are Qualifying Shareholders (as defined in paragraph (b) of this resolution), be and is hereby declared;
 - (b) the Special Dividend be satisfied by way of the distribution in specie of the entire holding of the Company in the entire issued share capital of CTEI to the shareholders of the Company 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 their names appear on the register of members of the Company on the distribution record date (the “**Distribution Record Date**”) to be determined by the Board (the “**Qualifying Shareholders**”) and in proportion to their respective holdings of CPP Ordinary Shares or, as the case may be, CPP Preference Shares as at the Distribution Record Date (the “**Distribution**”); and
 - (c) the directors of the Company be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient to implement and administer the Distribution.”

NOTICE OF SPECIAL GENERAL MEETING

3. “**THAT** the adoption of the rules of the CTEI Share Option Scheme (a copy of which has been produced to the meeting and marked “A” and for the purposes of identification signed by the Chairman thereof), subject to the approval by the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the CTEI Ordinary Shares in issue and which may be issued upon exercise of the conversion rights attached to the CTEI Preference Shares and any CTEI Ordinary Shares which may be issued pursuant to the exercise of options which may be granted under the CTEI Share Option Scheme being obtained, be and are hereby approved with such amendment(s) to the rules of the CTEI Share Option Scheme as the Board may in its absolute discretion considers to be appropriate, necessary or desirable to give effect to any requirements or requests of the Stock Exchange or the Rules Governing the Listing of Securities on the Stock Exchange.”

By Order of the Board
Lau Wing Yuen
Company Secretary

Hong Kong, 26 March 2015

Notes:

1. A form of proxy for use at the Special General Meeting is being despatched to the shareholders of the Company together with a copy of this notice.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person authorised to sign the same.
3. Any shareholder of the Company entitled to attend and vote at the Special General Meeting convened by the above notice shall be entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong at Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for holding the Special General Meeting or any adjournment thereof.
5. Completion and deposit of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the Special General Meeting convened or any adjourned meeting and in such event, the form of proxy will be deemed to be revoked.
6. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the Special General Meeting, the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand on the register of members of the Company in respect of the joint holding.
7. The voting on any of the resolutions to be put to the vote at the Special General Meeting will be taken by way of poll.