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

*(Incorporated in Bermuda with limited liability)  
(Stock Code: 43)*

## **PROPOSED SHARE PREMIUM REDUCTION**

The Board intends to put forward for approval by the Shareholders at the AGM a proposal to reduce the credit standing to the share premium account of the Company in the sum of US\$1,524,364,000 (as of 28 February 2014) with the credit arising therefrom to be entirely transferred to the contributed surplus account of the Company.

A circular of the Company containing, inter alia, details of the Proposed Share Premium Reduction and a notice convening the AGM for the purpose of considering (among other things) and, if thought fit, passing the special resolution to approve the Proposed Share Premium Reduction will be despatched to the Shareholders in April 2014.

## **PROPOSED SHARE PREMIUM REDUCTION**

### **The Proposal**

The Board intends to put forward for approval by the Shareholders at the AGM a proposal to reduce the credit standing to the share premium account of the Company in the sum of US\$1,524,364,000 (as of 28 February 2014) with the credit arising therefrom to be entirely transferred to the contributed surplus account of the Company.

According to Bermuda law, where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premiums on those shares shall be transferred to the share premium account. A company shall not declare or pay a dividend out of share premium. On the other hand, a company can declare or pay a dividend out of contributed surplus provided that the company is, or would after the payment be, able to pay its liabilities as they become due or the realizable value of the company's assets exceeds its liabilities.

### **Reason for the Proposed Share Premium Reduction**

The Board considers that the Proposed Share Premium Reduction will give the Company greater flexibility to declare dividends or make distribution to the Shareholders in the future as and when the Board considers appropriate. The Board therefore considers that the Proposed Share Premium Reduction is in the interests of the Company and the Shareholders as a whole.

## **Effects of the Proposed Share Premium Reduction**

The implementation of the Proposed Share Premium Reduction does not involve any reduction in the authorised or issued share capital of the Company nor does it involve any reduction in the nominal value of the Ordinary Shares or the trading arrangements concerning the Ordinary Shares. Other than the expenses incurred by the Company in relation to the Proposed Share Premium Reduction, the implementation of the Proposed Share Premium Reduction will not, of itself, alter the underlying assets, liabilities, business operations, management or financial position of the Company or affect the interests of the Shareholders as a whole or the share capital of the Company.

Upon the completion of the Proposed Share Premium Reduction, the balance of the share premium account of the Company will be reduced by an amount of US\$1,524,364,000 and the balance will become nil (assuming the balance of the share premium account of the Company will not change from that as at the date of this announcement).

## **Conditions of the Proposed Share Premium Reduction**

The Proposed Share Premium Reduction will be conditional upon:

- (a) the passing of a special resolution by the Shareholders approving the Proposed Share Premium Reduction at the AGM; and
- (b) compliance with Section 46(2) of the Companies Act 1981 of Bermuda (as amended), including (a) publication of a notice in relation to the Proposed Share Premium Reduction in an appointed newspaper in Bermuda on a date not more than thirty days and not less than fifteen days before the Effective Date; and (b) the Board being satisfied that on the Effective Date, there are no reasonable grounds for believing the Company is, or after the Proposed Share Premium Reduction would be, unable to pay its liabilities as they become due.

Assuming that the above conditions are fulfilled, it is expected that the Proposed Share Premium Reduction will become effective on the date of the AGM, at which the relevant special resolution approving the Proposed Share Premium Reduction will be considered and, if thought fit, passed by the Shareholders.

## **GENERAL**

A circular of the Company containing, inter alia, details of the Proposed Share Premium Reduction and a notice convening the AGM for the purpose of considering (among other things) and, if thought fit, passing the special resolution to approve the Proposed Share Premium Reduction will be despatched to the Shareholders in April 2014. As no Shareholder has an interest in the Proposed Share Premium Reduction which is different from other Shareholders, no Shareholder is required to abstain from voting at the AGM.

**Shareholders and potential investors should also be aware of and take note that the Proposed Share Premium Reduction is conditional upon satisfaction of the conditions set out in this announcement. Therefore, the Proposed Share Premium Reduction may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Ordinary Shares and other securities of the Company.**

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“AGM”	an annual general meeting of the Company to be held on 6 June 2014, to consider and, if thought fit, approve, among other things, the Proposed Share Premium Reduction contemplated thereunder
“Board”	the board of Directors
“Company”	C.P. Pokphand Co. Ltd., a company incorporated in Bermuda with limited liability, the Ordinary Shares of which are listed and traded on the Main Board of the Stock Exchange under stock code 43
“Directors”	the directors of the Company
“Effective Date”	the date on which the Proposed Share Premium Reduction shall become effective, being the date of the AGM at which the relevant special resolution approving the Proposed Share Premium Reduction will be considered by the Shareholders
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Ordinary Share(s)”	ordinary share(s) of US\$0.01 each in the capital of the Company carrying voting rights at general meetings of the Company
“PRC”	the People’s Republic of China excluding for this purpose, Hong Kong, Macau Special Administrative Region and Taiwan
“Proposed Share Premium Reduction”	the proposed reduction of US\$1,524,364,000 standing to the credit of the share premium account of the Company
“Shareholder(s)”	holders of the Ordinary Shares from time to time
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of United States

By order of the Board  
**Arunee Watcharananan**  
*Director*

Hong Kong, 31 March 2014

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