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C.P. POKPHAND CO. LTD.

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

**(1) NOTICE OF BOARD MEETING
AND
(2) SHAREHOLDERS' APPROVAL FOR
PROPOSED SPECIAL INTERIM DIVIDEND
BY WAY OF DISTRIBUTION IN SPECIE
AND
PROPOSED ADOPTION OF THE CTEI SHARE OPTION SCHEME**

Reference is made to the announcements of the Company dated 30 June 2014 and 17 October 2014 in relation to the Proposed Spin-off and separate listing of CTEI (currently a wholly-owned subsidiary of the Company) on the Main Board of the Stock Exchange.

As set out in the announcement dated 17 October 2014, CTEI submitted a listing application to the Stock Exchange on the same date to apply for the Listing. The listing application is being reviewed by the Stock Exchange and is subject to final approval by the Stock Exchange. In anticipation of the Proposed Spin-off, a meeting of the Board will be convened on 12 November 2014 for the purpose of, among other matters, considering the declaration of a 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 in proportion to their respective shareholdings in the Company on the Distribution Record Date (or, in respect of Qualifying Shareholders who are Preference Shareholders as at the Distribution Record Date, in proportion to the number of Ordinary Shares into which their respective holdings of Preference Shares as at the Distribution Record Date may be converted in accordance with the Bye-laws and on an as converted basis), subject to the conditions of the Proposed Spin-off and the Listing.

According to the Bye-Laws, the proposed Distribution shall be subject to the approval by the Ordinary Shareholders. In addition, the Company shall seek Ordinary Shareholders' approval for the proposed adoption of the CTEI Share Option Scheme, which constitutes a share option scheme governed by Chapter 17 of the Listing Rules. Pursuant to Rules 17.01(1) and 17.02(1)(a) of the Listing Rules, the adoption of the CTEI Share Option Scheme is subject to the approval of the Ordinary Shareholders.

Subject to the approval of the declaration of the special interim dividend at the meeting of the Board to be held on 12 November 2014, the Company will convene the SGM, and will for such purpose despatch to Shareholders the notice of the SGM and the circular giving further information on the proposed Distribution and the proposed adoption of the CTEI Share Option Scheme as soon as practicable. Ordinary resolutions will be proposed at the SGM for the purposes of considering and, if thought fit, approving the proposed Distribution and the proposed adoption of the CTEI Share Option Scheme.

Following completion of the Proposed Spin-off and the Listing, the Company will not retain any interest in the issued share capital of CTEI and CTEI will no longer be a subsidiary of the Company. As such reduction of the Company's shareholding interest in CTEI will be by way of the Distribution, it will not be a transaction of the Company for the purposes of Chapter 14 of the Listing Rules and accordingly there will be no requirement to comply with the notification or shareholders' approval requirements thereunder.

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

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

INTRODUCTION

Reference is made to the announcements of the Company dated 30 June 2014 and 17 October 2014 in relation to the Proposed Spin-off and separate listing of CTEI (currently a wholly-owned subsidiary of the Company) on the Main Board of the Stock Exchange.

NOTICE OF BOARD MEETING

As set out in the announcement dated 17 October 2014, CTEI submitted a listing application to the Stock Exchange on the same date to apply for Listing. The listing application is being reviewed by the Stock Exchange and is subject to final approval by the Stock Exchange. In anticipation of the Proposed Spin-off, a meeting of the Board will be convened on 12 November 2014 for the purpose of, among other matters, considering the declaration of a 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 in proportion to their respective shareholdings in the Company on the Distribution Record Date (or, in respect of Qualifying Shareholders who are Preference Shareholders as at the Distribution Record Date, in proportion to the number of Ordinary Shares into which their respective holdings of Preference Shares as at the Distribution Record Date may be converted in accordance with the Bye-laws and on an as converted basis), subject to the conditions of the Proposed Spin-off and the Listing.

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

According to the Bye-Laws, the proposed Distribution shall be subject to the approval by the Ordinary Shareholders. Bye-Law 122 of the Bye-Laws empowers the Board from time to time to pay to the Shareholders such interim dividends as appear to the Board to be justified by the position of the Company. 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.

According to the above Bye-Laws, the Company shall seek Ordinary Shareholders' approval for the Distribution.

In addition, the Company shall seek Ordinary Shareholders' approval for the proposed adoption of the CTEI Share Option Scheme, which constitutes a share option scheme governed by Chapter 17 of the Listing Rules. Pursuant to Rules 17.01(1) and 17.02(1)(a) of the Listing Rules, the adoption of the CTEI Share Option Scheme is subject to the approval of the Ordinary Shareholders.

Subject to the approval of the declaration of the special interim dividend at the meeting of the Board to be held on 12 November 2014, the Company will convene the SGM, and will for such purpose despatch to Shareholders the notice of the SGM and the circular giving further information on the proposed Distribution and the proposed adoption of the CTEI Share Option Scheme as soon as practicable. Ordinary resolutions will be proposed at the SGM for the purposes of considering and, if thought fit, approving the proposed Distribution and the proposed adoption of the CTEI Share Option Scheme. The voting at such meeting will be taken on a poll and the Company will make an announcement of the poll results.

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

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

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

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

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

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

LISTING RULES IMPLICATIONS

Following completion of the Proposed Spin-off and the Listing, the Company will not retain any interest in the issued share capital of CTEI and CTEI will no longer be a subsidiary of the Company. As such reduction of the Company's shareholding interest in CTEI will be by way of the Distribution, it will not be a transaction of the Company for the purposes of Chapter 14 of the Listing Rules and accordingly there will be no requirement to comply with the notification or shareholders' approval requirements thereunder.

The CTEI Share Option Scheme is subject to the approval of Ordinary Shareholders pursuant to Chapter 17 of the Listing Rules.

GENERAL

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

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

DEFINITIONS

“Board”	the board of directors of the Company
“Bye-Laws”	the bye-laws of the Company
“Caterpillar”	Caterpillar Inc. or any of its subsidiaries
“Caterpillar Products”	machinery supplied by Caterpillar pursuant to the distribution agreements entered into between the ECI Metro Group and Caterpillar
“Company”	C.P. Pokphand Co. Ltd., a company incorporated under the laws of Bermuda whose shares are listed on the Main Board of the Stock Exchange
“CTC”	Chlortetracycline, a tetracycline broad-spectrum antibiotic with chemical formula $C_{22}H_{23}ClN_2O_8$
“CTEI”	Chia Tai Enterprises International Limited, a company incorporated under the laws of Bermuda
“CTEI Group”	CTEI and its subsidiaries after the Reorganisation or, where the context so requires, in respect of the period before CTEI became the holding company of its present subsidiaries, such present subsidiaries or (as the case may be) their predecessors
“CTEI Shares”	ordinary shares in the share capital of CTEI
“CTEI Share Option Scheme”	the share option scheme of CTEI proposed to be presented to the Shareholders for their approval at the SGM
“Directors”	the directors of the Company
“Distribution”	the proposed payment of a special interim dividend by the Company to be satisfied by way of a distribution in specie of the Company’s holding in the entire issued share capital of CTEI to the Qualifying Shareholders in proportion to their respective shareholdings in the Company on the Distribution Record Date (or, in respect of Qualifying Shareholders who are Preference Shareholders as at the Distribution Record Date, in proportion to the number of Ordinary Shares into which each Preference Share may be converted in accordance with the Bye-Laws and on an as converted basis based on their respective holdings of Preference Shares on the Distribution Record Date), subject to the satisfaction of the conditions described in the section headed “Proposed Spin-off” in the announcement of the Company dated 17 October 2014
“Distribution Record Date”	the record date for ascertaining entitlements to the Distribution, to be determined and announced by the Board
“Ordinary Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of the Company carrying voting rights at general meetings of the Company

“Ordinary Shareholder(s)”	holder(s) of Ordinary Shares
“Preference Share(s)”	the restricted voting convertible preference share(s) of US\$0.01 each in the capital of the Company
“Preference Shareholder(s)”	holder(s) of Preference Shares
“Listing”	the listing of, and permission to deal in, the CTEI Shares in issue and any CTEI Shares which may be issued pursuant to the exercise of options which may be granted under the CTEI Share Option Scheme on the Main Board of the Stock Exchange by way of introduction
“Listing Approval”	the approval by the Listing Committee of the Stock Exchange for the Listing
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Proposed Spin-off”	the proposed spin-off of CTEI by the Company to be effected by way of the Distribution
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Distribution Record Date
“Remaining CPP Group”	the Company and its subsidiaries following the Distribution, which will exclude the CTEI Group
“Reorganisation”	the reorganisation of CTEI Group in preparation for the Listing
“SGM”	the special general meeting of the Company for the Ordinary Shareholders to approve the proposed Distribution and the proposed adoption of the CTEI Share Option Scheme
“Shareholders”	Ordinary Shareholders and/or Preference Shareholders
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
Arunee Watcharananan
Director

Hong Kong, 31 October 2014

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