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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 your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in C.P. Pokphand Co. Ltd., you should at once hand this circular, together with the enclosed form of proxy, 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)

**REVISION OF THE EXISTING ANNUAL CAPS UNDER THE
CONTINUING CONNECTED TRANSACTIONS
AND
PROPOSED RE-ELECTION OF DIRECTORS**

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**



Kingsway Group

Kingsway Capital Limited

A letter from the Board is set out on pages 4 to 10 of this circular. A letter from the Independent Board Committee and a letter from the independent financial adviser, Kingsway Capital Limited, containing its advice to the Independent Board Committee and the Independent Shareholders, are set out on page 11 and pages 12 to 18 of this circular respectively.

A notice convening the special general meeting of C.P. Pokphand Co. Ltd. to be held at 21st Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong on Monday, 15 December 2008 at 10:00 a.m. is set out on pages 28 to 29 of this circular.

Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish.

28 November 2008

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context otherwise requires:

“Announcement”	the announcement dated 13 November 2008 issued by the Company
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bye-Laws”	the Bye-Laws of CPP (as amended from time to time)
“Chearavanont Shareholders”	four members of the Chearavanont family, namely, Mr. Jaran Chiaravanont, Mr. Montri Jiaravanont, Mr. Sumet Jiaravanon and Mr. Dhanin Chearavanont, who, on an aggregate basis, are directly and indirectly interested in approximately 51.43% of the issued share capital of the Company
“CPP” or “Company”	C.P. Pokphand Co. Ltd., a company incorporated in Bermuda whose shares are listed and traded on the Main Board of the Stock Exchange under stock code 43
“connected person”	has the meaning ascribed to it under the Listing Rules
“Continuing Connected Transactions”	the continuing connected transactions under the CP China-CCT Agreement and the CPP Supply Agreement
“CP China CCT-Agreement”	the supply agreement entered into between the Company and CP China on 18 April 2008 for the supply by the Group to CP China Group of Type A Merchandise required by the CP China Group on an ongoing basis
“CP China”	CP China Investment Limited, a company incorporated in the Cayman Islands with limited liability which is principally engaged in investment holding
“CP China Group”	CP China and its subsidiaries, jointly-controlled entities and associated companies
“CP Intertrade”	C.P. Intertrade Co., Ltd., a limited liability company established in Thailand which is principally engaged in trading business
“CPP Supply Agreement”	the supply agreement entered into between the Company and CP Intertrade on 18 April 2008 for the supply by the Group to CP Intertrade of Type A Merchandise required by CP Intertrade on an ongoing basis

DEFINITIONS

“Directors”	the directors of the Company
“Disposal”	the disposal by the Company to CP China of certain sale interests and sale loan pursuant to the terms of the disposal agreement dated 18 April 2008 entered into between the Company and CP China, details of which were set out in the Previous Announcement and Circular
“Existing Annual Caps”	the existing annual caps under the CP China-CCT Agreement and the CPP Supply Agreement approved at the Previous Special General Meeting
“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
“Independent Board Committee”	the board committee appointed by the Board, comprising independent non-executive Directors, to advise the Independent Shareholders in relation to the Revised Annual Caps
“Independent Shareholder(s)”	the Shareholders, other than the Chearavanont Shareholders and their respective associates
“Kingsway”	Kingsway Capital Limited, a licensed corporation for Type 6 regulated activities as set out in Schedule 5 of the SFO, appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Revised Annual Caps
“Latest Practicable Date”	24 November 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information included herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan)
“Previous Announcement and Circular”	the announcement dated 18 April 2008 and the circular dated 27 May 2008 issued by the Company in relation to, among other matters, the Disposal and the Continuing Connected Transactions

DEFINITIONS

“Previous Special General Meeting”	the special general meeting of the Company held on 19 June 2008
“Revised Annual Caps”	the proposed revised annual caps for the Continuing Connected Transactions to be proposed for approval by the Independent Shareholders at the SGM
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held to approve the Revised Annual Caps and the proposed re-election of Directors
“Share(s)”	ordinary shares of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Type A Merchandise”	chlortetracycline, a feed additive
“US\$”	United States dollars, the lawful currency of United States
“%”	per cent

In this circular, translations of RMB into HK\$ are made for illustration purposes only at the exchange rate of RMB1.0 to HK\$1.12. No representation is made that any amount in RMB or HK\$ could have been or could be converted at the above rate or at any other rates at all.

LETTER FROM THE BOARD



C.P. POKPHAND CO. LTD.

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

Directors:

Mr. Sumet Jiaravanon
Mr. Dhanin Chearavanont
Mr. Thanakorn Seriburi
Mr. Meth Jiaravanont
Mr. Robert Ping-Hsien Ho
Mr. Soopakij Chearavanont
Mr. Nopadol Chiaravanont
Mr. Chatchaval Jiaravanon
Mr. Benjamin Jiaravanon
Mr. Narong Chearavanont
Mr. Suphachai Chearavanont
Mr. Pang Siu Chik
Mr. Ma Chiu Cheung, Andrew*
Mr. Sombat Deo-isres*
Mr. Sakda Thanitcul*

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

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

21st Floor
Far East Finance Centre
16 Harcourt Road
Hong Kong

* *Independent non-executive Directors*

28 November 2008

To the Shareholders

Dear Sirs,

**REVISION OF THE EXISTING ANNUAL CAPS UNDER THE
CONTINUING CONNECTED TRANSACTIONS
AND
PROPOSED RE-ELECTION OF DIRECTORS**

A. INTRODUCTION

The Board referred in the Announcement to the Previous Announcement and Circular in relation to the CP China-CCT Agreement and the CPP Supply Agreement. Transactions under each of these agreements and the related caps were approved by the Independent Shareholders at the Previous Special General Meeting.

LETTER FROM THE BOARD

The significant increase in demand for the Group's supply of Type A Merchandise under the CP China-CCT Agreement and the CPP Supply Agreement in recent months has significantly exceeded the Board's previous expectation. As at 30 September 2008, the value of Type A Merchandise supplied by the Group to CP Intertrade almost reached the relevant annual cap for the entire financial year ending 31 December 2008. In addition, it is anticipated that the actual sales of Type A Merchandise by the Group to CP China Group during the period from the effective date of the CP China-CCT Agreement to 30 September 2008 together with the expected sales to CP China Group in the fourth quarter would exceed the relevant annual cap for the financial year ending 31 December 2008. In order to allow the Group to continue to supply Type A Merchandise under the terms and conditions set out in the CP China-CCT Agreement and the CPP Supply Agreement, the Company proposes to revise the Existing Annual Caps.

The Company also proposes to re-elect four Directors, namely Mr. Chatchaval Jiaravanon, Mr. Suphachai Chearavanont, Mr. Sakda Thanitcul and Mr. Pang Siu Chik, at the SGM.

The purpose of this circular is to give Shareholders (i) further information on the Revised Annual Caps and the re-election of Directors; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iii) the advice from Kingsway to the Independent Board Committee and the Independent Shareholders; and (iv) a notice to convene the SGM.

B. REVISION OF THE EXISTING ANNUAL CAPS UNDER THE CONTINUING CONNECTED TRANSACTIONS

Reference is made to the Previous Announcement and Circular in relation to the following agreements, each of which and the related caps were approved by the Independent Shareholders at the Previous Special General Meeting.

- (1) CP China-CCT Agreement entered into between the Company and CP China dated 18 April 2008; and
- (2) CPP Supply Agreement entered into between the Company and CP Intertrade dated 18 April 2008.

The Existing Annual Caps and the Revised Annual Caps

The significant increase in demand for the Group's supply of Type A Merchandise under the CP China-CCT Agreement and the CPP Supply Agreement in recent months has significantly exceeded the Board's previous expectation. As at 30 September 2008, the value of Type A Merchandise supplied by the Group to CP Intertrade almost reached the relevant annual cap for the entire financial year ending 31 December 2008. In addition, it is anticipated that the actual sales of Type A Merchandise by the Group to CP China Group during the period from the effective date of the CP China-CCT Agreement to 30 September 2008 together with the expected sales to CP China Group in the fourth quarter would exceed the relevant annual cap for the financial year ending 31 December 2008. In order to allow the Group to continue to supply Type A Merchandise under the terms and conditions set out in the CP China-CCT Agreement and the CPP Supply Agreement, the Company proposes to revise the Existing Annual Caps.

LETTER FROM THE BOARD

The table below sets out the sales amount under each of the Continuing Connected Transactions for the nine months ended 30 September 2008:

Category of transactions	(Unaudited)	
	Nine months ended 30 September 2008	
	<i>RMB'000</i>	<i>HK\$'000</i>
CP China-CCT Agreement	2,287*	2,562*
CPP Supply Agreement	1,947	2,181

**Note:* The CP China-CCT Agreement took effect from the date of completion of the Disposal on 22 August 2008. The sales amount under the CP China-CCT Agreement from its effective date up to 30 September 2008 amounted to RMB2,287,000 (approximately HK\$2,562,000).

The table below sets out the Existing Annual Caps and the proposed Revised Annual Caps:

Category of transaction	Year ending 31 December 2008			Year ending 31 December 2009			Year ending 31 December 2010		
	Existing Annual Cap	RMB'000 (HK\$'000)		Existing Annual Cap	RMB'000 (HK\$'000)		Existing Annual Cap	RMB'000 (HK\$'000)	
		Amount of increase	Revised Annual Cap		Amount of increase	Revised Annual Cap		Amount of increase	Revised Annual Cap
CP China-CCT Agreement	7,516 ¹ (8,418) ¹	7,558 (8,465)	15,074 (16,883)	25,000 (28,000)	25,400 (28,448)	50,400 (56,448)	30,000 (33,600)	30,480 (34,138)	60,480 (67,738)
CPP Supply Agreement ²	2,000 (2,240)	2,000 (2,240)	4,000 (4,480)	2,200 (2,464)	2,600 (2,912)	4,800 (5,376)	2,420 (2,710)	3,340 (3,741)	5,760 (6,451)

Note 1: The annual cap for the financial year ending 31 December 2008 is the prorated portion of the full amount for year 2008 representing the remaining part of the financial year calculated on a day-to-day basis from the effective date of the CP China-CCT Agreement on 22 August 2008 until 31 December 2008.

Note 2: Although the CPP Supply Agreement took effect from the date of approval by the Independent Shareholders on 19 June 2008, its annual cap for 2008 is for the entire year from 1 January 2008 to 31 December 2008.

LETTER FROM THE BOARD

Basis for determining the Revised Annual Caps

CP China-CCT Agreement

The revised caps are determined with reference to (i) the value of Type A Merchandise actually supplied by the Group under the CP China-CCT Agreement from its effective date up to 30 September 2008, which amounted to RMB2,287,000 (approximately HK\$2,562,000); (ii) the indication from CP China Group in respect of the demand for Type A Merchandise in the fourth quarter of 2008; (iii) the prevailing market prices of Type A Merchandise; and (iv) the allowances for possible price increases in line with consumer prices in the PRC generally and volume growth in the future.

CPP Supply Agreement

The revised caps are determined with reference to (i) the value of Type A Merchandise actually supplied by the Group under the CPP Supply Agreement for the nine months ended 30 September 2008, which amounted to RMB1,947,000 (approximately HK\$2,181,000); (ii) the indication from CP Intertrade in respect of the demand for Type A Merchandise in the fourth quarter of 2008; (iii) the prevailing market prices of Type A Merchandise; and (iv) the allowances for possible price increases in line with consumer prices in the PRC generally and volume growth in the future.

C. REASONS FOR THE REVISION OF THE EXISTING ANNUAL CAPS

The Group is principally engaged in the production and sale of Chlortetracycline products, the manufacturing and sale of motorcycles, the sale of Caterpillar machinery, and manufacturing and sale of carburetors and automobile accessories through its jointly-controlled entities and property investment holding.

The Directors are of the view that the Revised Annual Caps would allow the Group to increase its supply of Type A Merchandise to two groups of long term, reliable customers, and thereby expanding its overall revenue. The Directors (including the independent non-executive Directors after taking into account the advice from Kingsway) consider that the Revised Annual Caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LETTER FROM THE BOARD

D. LISTING RULES IMPLICATIONS

At the Latest Practicable Date, the Chearavanont Shareholders, on an aggregate basis, were directly and indirectly interested in approximately 51.43% of the issued share capital of the Company.

CP China, an investment holding company, is wholly-owned directly by Charoen Pokphand Group Company Limited, which is owned as to 51.31% by the Chearavanont Shareholders, the controlling shareholders of the Company. Hence, CP China is a connected person of the Company within the meaning of the Listing Rules.

CP Intertrade which is owned as to 51.31% by the Chearavanont Shareholders, is indirectly interested in 34.74% of the issued share capital of the Company through the shareholding of CPI Holding Co., Ltd. CP Intertrade is a substantial shareholder and a connected person of the Company under the Listing Rules.

As each of the aggregate percentage ratios under Rule 14.07 of the Listing Rules for the Revised Annual Caps is more than 2.5%, each of the Revised Annual Caps is subject to the Independent Shareholders' approval at the SGM and be the subject of advice of the Independent Board Committee and the fairness opinion of an independent financial adviser. Pursuant to the Listing Rules, the Company will procure that the chairman of the SGM will demand the vote for the resolutions relating to the Revised Annual Caps to be taken by a poll. The Chearavanont Shareholders and their associates who control or are entitled to exercise control over the voting rights in respect of 1,486,108,445 Shares representing approximately 51.43% of the entire issued share capital of the Company will abstain from voting on the resolutions in respect of the Revised Annual Caps to be proposed at the SGM, which will be taken by way of poll.

E. PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Bye-Law 77 of the Bye-Laws, three Directors (who were appointed by the Board to such position on 8 September 2008), namely Mr. Chatchaval Jiaravanon, Mr. Pang Siu Chik and Mr. Sakda Thanitcul and one Director (who was appointed by the Board to such position on 20 October 2008), namely Mr. Suphachai Chearavanont, will retire from office and, being eligible, will offer themselves for re-election at the SGM.

Biographical details of each of the retiring Directors proposed to be re-elected at the SGM, are set out in Appendix I to this circular.

LETTER FROM THE BOARD

F. SPECIAL GENERAL MEETING

A notice convening the SGM to be held at 21st Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong on Monday, 15 December 2008 at 10:00 a.m. is set out on pages 28 to 29 of this circular. Voting on the resolutions with respect to the Revised Annual Caps to be proposed at the SGM will be conducted by poll.

Pursuant to the Bye-Law 59 of the Bye-Laws, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is required under the Listing Rules or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded by:

- (a) the chairman of the meeting; or
- (b) at least three members present in person or by proxy and entitled to vote; or
- (c) any member or members present in person (or in the case of a member being a corporation, by its duly authorised representative) or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or
- (d) any member or members present in person (or in the case of a member being a corporation, by its duly authorised representative) or by proxy and holding Shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the SGM, you are requested to complete and return the form of proxy to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Room 1806-7, 18th 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 SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting should you so wish.

LETTER FROM THE BOARD

G. RECOMMENDATION

The Independent Board Committee has been established to consider whether the Revised Annual Caps are fair and reasonable so far as the Company and the Independent Shareholders are concerned and Kingsway has been appointed to advise the Independent Board Committee and the Independent Shareholders in that connection.

The text of the letter of Kingsway containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 12 to 18 of this circular and the text of the letter from the Independent Board Committee to the Independent Shareholders is set out on page 11.

The Independent Board Committee, having taken into account the opinion of Kingsway, considers the Revised Annual Caps to be fair and reasonable and are in the interest of the Company and the Shareholders as a whole and, accordingly, recommends the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM by poll.

The Directors consider that the proposed re-election of Directors are in the best interest of the Company and its Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM with respect to the re-election of Directors to be taken by show of hands.

H. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
By Order of the Board
Pang Siu Chik
Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



C.P. POKPHAND CO. LTD.

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

28 November 2008

To the Independent Shareholders

Dear Sirs,

**REVISION OF THE EXISTING ANNUAL CAPS UNDER THE
CONTINUING CONNECTED TRANSACTIONS**

We have been appointed as the Independent Board Committee to advise you in connection with the Revised Annual Caps, details of which are set out in the letter from the Board contained in the circular to the Shareholders dated 28 November 2008 (the “Circular”), of which this letter forms part. Capitalized terms used herein shall have the same meanings as defined in the Circular unless the context otherwise requires.

As independent non-executive Directors who are independent of the parties to the CP China CCT Agreement and the CPP Supply Agreement and not having any interest in the transactions contemplated thereunder, we have been appointed by the Board to advise you as to whether, in our opinion, the Revised Annual Caps are fair and reasonable so far as the Independent Shareholders as a whole are concerned.

Kingsway has been appointed by the Company as the independent financial adviser to advise us regarding the fairness and reasonableness of the Revised Annual Caps. Details of its advice, together with the principal factors and reasons taken into consideration in arriving at such opinion, are set out on pages 12 to 18 of the Circular. Your attention is also drawn to the letter from the Board set out on pages 4 to 10 of the Circular and the additional information set out in the appendices to the Circular.

Having taken into account the opinion of and the principal factors and reasons considered by Kingsway as stated in its letter of advice, we consider that the Revised Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and are in the interest of the Company and its Shareholders.

Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM to approve the Revised Annual Caps.

Yours faithfully,
For and on behalf of
the Independent Board Committee

Ma Chiu Cheung, Andrew
Independent Non-executive Director

Sombat Deo-isres
Independent Non-executive Director

Sakda Thanitcul
Independent Non-executive Director

LETTER FROM KINGSWAY

The following is the full text of a letter received from Kingsway setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the Revised Annual Caps for inclusion in this Circular.



5/F, Hutchison House,
10 Harcourt Road,
Central, Hong Kong
Tel. No.: (852) 2877-1830
Fax. No.: (852) 2283-7722

28 November 2008

*To the Independent Board Committee and
the Independent Shareholders of
C.P. Pokphand Co. Ltd.*

Dear Sirs,

REVISION OF THE EXISTING ANNUAL CAPS UNDER THE CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the revision of the annual caps under the CP China-CCT Agreement and the CPP Supply Agreement, details of which are set out in the circular (the “**Circular**”) of C.P. Pokphand Co. Ltd. to the Shareholders dated 28 November 2008, of which this letter forms part. Unless otherwise defined, capitalized terms used in this letter shall have the same meanings as defined in the Circular.

Reference is made to the announcement dated 18 April 2008 and the circular dated 27 May 2008 in relation to the CP China-CCT Agreement and the CPP Supply Agreement. Transactions under each of these agreements and the related caps were approved by the Independent Shareholders at the SGM of the Company held on 19 June 2008. Reference is also made to the announcement of the Company on 13 November 2008, the Board announced that due to the significant increase in the demand for the Group’s supply of Type A Merchandise under the CP China-CCT Agreement and the CPP Supply Agreement in recent months, it is anticipated the expected sales to CP China Group and CP Intertrade would exceed the relevant annual cap for the year ending 31 December 2008. As such, the Company proposes to revise the Existing Annual Caps.

LETTER FROM KINGSWAY

As set out in the letter from the board (the “**Letter from the Board**”) in the Circular, CP China and CP Intertrade are regarded as the connected persons of the Company within the meanings of the Listing Rules. Each of the aggregate percentage ratios under Rule 14.07 of the Listing Rules for the Revised Annual Caps is more than 2.5%, each of the Revised Annual Caps is subject to the Independent Shareholders’ approval at the SGM. The Chearavanont Shareholders and their associates who control or are entitled to exercise control over the voting rights in respect of 1,486,108,445 Shares representing approximately 51.43% of the entire issued share capital of the Company will abstain from voting on the resolutions in respect of the Revised Annual Caps to be proposed at the SGM, which will be taken by way of poll.

The Independent Board Committee, comprising Mr. Ma Chiu Cheung, Andrew, Mr. Sombat Deoisres and Mr. Sakda Thanitcul, all being independent non-executive Directors, has been established to advise the Independent Shareholders in relation to the Revised Annual Caps under the Continuing Connected Transactions. We have been appointed to advise the Independent Board Committee and the Independent Shareholders in this respect.

BASIS OF OUR OPINION

In formulating our view and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the Revised Annual Caps, we have relied on the information and representations provided to us by the Directors, which the Directors consider to be complete and relevant.

We have also relied on the information and representations contained in the Circular and have assumed that all statements of belief, opinion and intention made by the Directors in the Circular were true, accurate and complete at the time they were made and continue to be true and accurate on the date of the Circular. We have assumed that all statements of belief, opinion and intention made by the Directors in the Circular were reasonably made after due enquiry. We consider that we have reviewed sufficient information to reach an informed view and have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors. We have been advised by the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular.

We have not, however, carried out any independent verification of the information provided by the management of the Company and the Directors, nor have we conducted any independent investigation into the business and affairs of the Company, CP China and CP Intertrade or any of their respective subsidiaries, jointly controlled entities or associates.

LETTER FROM KINGSWAY

PRINCIPAL REASONS AND FACTORS CONSIDERED

In arriving at our recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Revised Annual Caps, we have considered the following principal reasons and factors:

(1) Background and reasons for the Continuing Connected Transactions

The Group is principally engaged in the production and sale of Chlortetracycline products, the manufacturing and sale of motorcycles, the sale of Caterpillar machinery, and manufacturing and sale of carburetors and automobile accessories through its jointly-controlled entities and property and investment holding.

CP China Group is principally engaged in the trading of agricultural products, the operation of feed mill and poultry.

CP Intertrade is a direct importer, exporter and agent for trading and marketing international brands from general produce to consumer and industrial goods.

At the Previous Special General Meeting held on 19 June 2008, the Independent Shareholders approved the Group to carry on the CP China-CCT Agreement and the CPP Supply Agreement and the Existing Annual Caps under the respective agreements. According to the CP China-CCT Agreement and the CPP Supply Agreement, the Group supplies Type A Merchandise to CP China Group and CP Intertrade for the three years ending 31 December 2010 respectively.

The Directors confirm that the terms and conditions of the CP China-CCT Agreement and the CPP Supply Agreement remained unchanged, and the relevant transactions were entered into on normal commercial terms, in the ordinary course of business and are fair and reasonable to the Group on the basis that the terms of the relevant agreements are no less favourable to the Group than those offered to independent third parties, and therefore are in the interest of the Shareholders and the Company as a whole.

We have reviewed samples of recent sales documents in respect of the Group's supply of Type A Merchandise to CP China Group, CP Intertrade and the independent third parties. We noted that the unit prices of Type A Merchandise and credit terms offered by the Group to CP China Group and CP Intertrade were not less favourable as compared to that offered to the independent third parties. As such, we concur with the Directors' view that the entering into of the CP China-CCT Agreement and the CPP Supply Agreement is on normal commercial terms, in the ordinary course of business and are fair and reasonable and in the interest of the Shareholders and the Company as a whole.

LETTER FROM KINGSWAY

(2) Existing Annual Cap

The table below sets out (i) the sales amount of the Continuing Connected Transactions for the year ended 31 December 2007; (ii) the sales amounts of each of the Continuing Connected Transactions for the nine months ended 30 September 2008 and (iii) the Existing Annual Cap for the year ending 31 December 2008:

Category of transactions	Sales amount for the year ended 31 December 2007	Unaudited Nine months ended 30 September 2008	Existing Annual Cap for the year ending 31 December 2008
	<i>RMB'000</i> <i>(HK\$'000)</i>	<i>RMB'000</i> <i>(HK\$'000)</i>	<i>RMB'000</i> <i>(HK\$'000)</i>
CP China-CCT Agreement	18,383 (20,589)	2,287 (2,562) <i>(Note 1)</i>	7,516 (8,418) <i>(Note 2)</i>
<i>Growth rate (annualized sales amount in 2008 as compared to the sales amount in 2007)</i> <i>(Note 3)</i>	–	2%	–
CPP Supply Agreement	1,159 (1,298)	1,947 (2,181)	2,000 (2,240)
<i>Growth rate (annualized sales amount in 2008 as compared to the sales amount in 2007)</i>	–	124%	–

Note 1: The CP China-CCT Agreement took effect from the date of completion of the Disposal on 22 August 2008. The sales amount under the CP China-CCT Agreement represents the sales amount from 22 August 2008 to 30 September 2008.

Note 2: The annual cap for the financial year ending 31 December 2008 is the prorated portion of the full amount for year 2008 representing the remaining part of financial year calculated on a day-to-day basis from the effective date of the CP China-CCT Agreement on 22 August 2008 until 31 December 2008.

Note 3: The annualized sales amount in 2008 was calculated based on the sales amount between the Group and CP China Group for the period from 1 January 2008 to 30 September 2008 amounting to RMB14,117,000.

As illustrated above, the Group's supply of Type A Merchandise to CP China Group under the CP China-CCT Agreement and to CP Intertrade under the CPP Supply Agreement in recent months were significant compared with the Existing Annual Cap. The sales amount of the Group to CP China Group under the CP China-CCT Agreement from 22 August 2008 to 30 September 2008 was approximately RMB2.3 million, which accounted for approximately 30.4% of the Existing Annual Cap for the year ending 31 December 2008. The sales amount of the Group to CP Intertrade under the CPP Supply Agreement for the nine months ended 30 September 2008 was approximately RMB1.9 million, which almost reached the Existing Annual Cap of the whole financial year ending 31 December 2008. As illustrated above, the annualized sales amounts of the Group's supply of Type A Merchandise to CP China

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Group and CP Intertrade in 2008 is expected to have a growth rate of approximately 2% and 124% as compared to the sales amount in 2007 respectively. As advised by the Directors, monthly sales amount of Type A Merchandise to CP China Group and CP Intertrade are relatively higher from September to April each year, as (i) more Chinese festivals during the period, like Winter Solstice and lunar new year; and (ii) more animal diseases were induced by the relatively low temperature in the abovementioned period, therefore, the Directors expect the sales amount of the Group's Type A Merchandise to CP China Group and CP Intertrade will increase in the fourth quarter of 2008. To the best knowledge of the Directors, under the recent raising concern of food safety in the PRC, CP China Group and CP Intertrade have been shifting some Type A Merchandise orders from independent third parties to the Group as the Group is the largest producer of Chlortetracycline ("CTC") in the PRC and provides quality Type A Merchandise in the PRC. In view of the recent demand for the Group's Type A Merchandise, the Directors consider that the supply of the Group's Type A Merchandise to CP China Group and CP Intertrade is likely to exceed the Existing Annual Cap for the year ending 31 December 2008 and thus enlarged Revised Annual Caps are necessary for the Group to capture the foreseeable demand for Type A Merchandise from CP China Group under the CP China-CCT Agreement and CP Intertrade under the CPP Supply Agreement.

(3) Proposed Revised Annual Caps

The table below sets out (i) the Existing Annual Caps; and (ii) the proposed Revised Annual Caps under the CP China-CCT Agreement and the CPP Supply Agreement:

Category of transaction	Year ending 31 December 2008			Year ending 31 December 2009			Year ending 31 December 2010		
	Existing		Revised	Existing		Revised	Existing		Revised
	Annual	Amount of	Annual	Annual	Amount of	Annual	Annual	Amount of	Annual
	Cap	increase	Cap	Cap	increase	Cap	Cap	increase	Cap
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
CP China-CCT Agreement	7,516 (8,418)	7,558 (8,465)	15,074 (16,883)	25,000 (28,000)	25,400 (28,448)	50,400 (56,448)	30,000 (33,600)	30,480 (34,138)	60,480 (67,738)
<i>Growth rate</i>	-	101%	-	-	102%	20%	-	102%	20%
CPP Supply Agreement	2,000 (2,240)	2,000 (2,240)	4,000 (4,480)	2,200 (2,464)	2,600 (2,912)	4,800 (5,376)	2,420 (2,710)	3,340 (3,741)	5,760 (6,451)
<i>Growth rate</i>	-	100%	-	-	118%	20%	-	138%	20%

The following sets out the basic factors we have taken into consideration in assessing the fairness and reasonableness of the Revised Annual Caps:

- *CTC business*

As stated in the Company's interim report 2008, currently, the Group is the largest producer of CTC in China. For the six-month period ended 30 June 2008, the Group's CTC business showed steady growth, with turnover increased 13.2% to US\$35,700,000, as compared with the same period last year. Feed-grade CTC and Hydrochloride CTC accounted for approximately 75.6% and 24.4% respectively, of the total turnover.

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According to the data published by China Feed Information Net (中國飼料工業信息網), the total production of feed grew by approximately 2.26% for the first three quarters in 2008 in China, compared to the same period in 2007. The forecasted annual production of feed is approximately 131 million tons in 2010, representing an increase of approximately 6.5% to the annual production of feed of approximately 123 million tons in 2007.

As such, the Directors consider the steady rising trend of demand of the Group's CTC will persist and thus sufficient Revised Annual Caps are needed to cater to the possible increase in demand for Type A Merchandise from CP China Group under the CP China-CCT Agreement and from CP Intertrade under the CPP Supply Agreement.

- *Market price of Type A Merchandise*

As advised by the Directors, the average market price of Type A Merchandise for the nine months ended 30 September 2008 was relatively stable.

According to the data published by National Bureau of Statistics of China, the price of agricultural products in China in the first half of 2008 increased by 22.9% from that in the corresponding period in 2007. The consumer price index in China for the first three quarters increased by 7.0% from that in the corresponding period in 2007.

As advised by the Directors, the Revised Annual Caps are determined with, among other things, the prevailing market price of Type A Merchandise and the consumer prices in the PRC in general. In viewing of the general increase in the price of agricultural products and consumer price index in China, the Directors consider allowance for possible price increases in Type A Merchandise is necessary.

- *Indication of demand of Type A Merchandise*

As illustrated above, the Revised Annual Cap for year ending 31 December 2008 increased by approximately 101% and 100% over the Existing Annual Cap under the CP China-CCT Agreement and the CPP Supply Agreement respectively. The Directors confirm that indication of orders and/or purchase orders in the fourth quarter of 2008 were received by the Group from CP China Group and CP Intertrade and they have made reference to the sales amount of indication of orders and purchase orders received when determining the Revised Annual Cap for year ending 31 December 2008.

After discussion with the management, review of management's sales projection for year ending 31 December 2008 and certain purchase orders issued by CP China Group to the Group, we noted that the projected sales amount of the Group to CP China Group for the fourth quarter of 2008 account for approximately 68% of the remaining balance of the Revised Annual Cap under the CP China-CCT Agreement for the year ending 31 December 2008. As the sales amount of Type A Merchandise of the Group to CP Intertrade for the nine months ended 30 September 2008 almost reached the Existing Annual Cap of the whole financial year ending 31 December 2008, as advised by the Directors, which hinder the Company from accepting new purchase orders from CP Intertrade. The management estimates that the projected sales amount of the Group to CP Intertrade for the fourth quarter of 2008 account for approximately 58% of the remaining balance of the

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Revised Annual Cap under the CPP Supply Agreement for the year ending 31 December 2008. Such projected sales amount is made reference to (i) indication of orders received by the Group from CP Intertrade; and (ii) the sales amount of the Group to CP Intertrade in the fourth quarter of 2007. The Directors advised that, buffer in the Revised Annual Cap for year ending 31 December 2008 is reserved for purchase orders to be received during the fourth quarter of 2008. As further advised by the Directors, we understand that demand of CTC is higher in winter season compared to summer season because more celebrations are held around the end of the year, including Winter Solstice and lunar new year, which induce more Chinese people consume meat. Moreover, more animal diseases were induced by the relatively low temperature in winter season. As such, the Directors expect the demand of the Group's Type A Merchandise from CP China Group and CP Intertrade will increase accordingly by the end of 2008 and early 2009. Although these festivals occur every year and animal diseases occur more in winter season, given the supply of Type A Merchandise by the Group to CP China Group and CP Intertrade in recent nine months ended 30 September 2008 was beyond the Directors' previous expectation, the Directors consider that it is necessary to increase the Existing Annual Caps as the transaction amount in the fourth quarter of 2008 is very likely to be greater than originally expected.

As shown in the table above, the Revised Annual Caps of 2009 and 2010 represent a growth of 20% as compared to the figure in the previous year under the CP China-CCT Agreement and the CPP Supply Agreement respectively. As advised by the Directors, the Revised Annual Caps were determined with reference to (i) the value of Type A Merchandise actually supplied by the Group to CP China Group under the CP China-CCT Agreement and to CP Intertrade under the CPP Supply Agreement in the past; (ii) the prevailing market prices of Type A Merchandise; and (iii) the allowance for possible price increases in line with consumer prices in the PRC generally and volume growth in the future.

Taking into account the factors above, we concur with the Directors' view and consider that the basis of determining the Revised Annual Caps is fair and reasonable.

RECOMMENDATION

Having considered the above principal factors and reasons, we are of the view that the Revised Annual Caps under the Continuing Connected Transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders, and advise the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the Revised Annual Caps under the Continuing Connected Transactions at the SGM.

Yours faithfully,
For and on behalf of
Kingsway Capital Limited
Chu Tat Hoi
Executive Director

The following are the biographies of the Directors who are retiring at the SGM and who have offered themselves for re-election in accordance with the Bye-Laws.

Mr. Chatchaval Jiaravanon (“Mr. Jiaravanon”), aged 46, was appointed as Executive Director of the Company on 8 September 2008. Mr. Jiaravanon obtained a Bachelor of Science degree in Business Administration from University of Southern California in USA. He has extensive experience in the telecommunication industry. Mr. Jiaravanon is currently a director of Chia Tai Enterprises International Limited, a company listed on the Stock Exchange and the chairman of Metrostar Property Public Company Limited, Nava Leasing Public Company Limited and Syrus Securities Public Company Limited, and a director and audit committee member of Ticon Industrial Connection Public Company Limited, and a director of Aeon Thana Sinsap (Thailand) Public Company Limited and True Corporation Public Company Limited, which are companies listed on The Stock Exchange of Thailand (“SET”). He was also an independent director of Cal-Comp Electronics (Thailand) Public Company Limited, which is a company listed on SET, from 2000 to 2005. He is also a director and executive committee member of True Visions Public Company Limited (formerly known as United Broadcasting Corporation Public Company Limited, which delisted from SET in 2006). He is the chairman of Thai Kodama Co., Ltd., the President and chief executive officer of Telecom Holding Company Limited, chief executive officer of True Multimedia Co., Ltd., True Internet Co., Ltd. and Asia Infonet Co. Ltd. and a director of Metro Machinery Company Limited. Save as disclosed above, Mr. Jiaravanon does not hold any directorship in other listed public companies in the three years preceding the date of this circular and he does not hold any other position with the Group.

Mr. Jiaravanon is the brother of Mr. Benjamin Jiaravanon, an executive Director. He is a cousin of Mr. Meth Jiaravanont (executive vice chairman and executive Director of the Company), Mr. Nopadol Chiaravanont, Mr. Soopakij Chearavanont, Mr. Narong Chearavanont and Mr. Suphachai Chearavanont (all of whom are executive Directors). Mr. Jiaravanon is a son of Mr. Sumet Jiaravanon (chairman and executive Director of the Company) and a nephew of Mr. Jaran Chiaravanont, Mr. Montri Jiaravanont, and Mr. Dhanin Chearavanont (executive chairman and executive Director of the Company), who together are regarded as the controlling shareholders of the Company. Save as disclosed above, Mr. Jiaravanon does not have any other relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Jiaravanon did not have any interest in Shares within the meaning of Part XV of the SFO.

There is no service contract between Mr. Jiaravanon and the Company. He is not appointed for a specific term but shall be subject to retirement by rotation and re-election at general meetings in accordance with the Bye-Laws. His emolument will be determined with reference to his duties and responsibilities within the Group. The Company will disclose Mr. Jiaravanon’s emolument in its upcoming annual report once the amount of his emolument has been determined.

There are no other matters about Mr. Jiaravanon’s proposed re-election as a Director which are required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

Mr. Suphachai Chearavanont (“Mr. Chearavanont”), aged 41, was appointed as Executive Director of the Company on 20 October 2008. Mr. Chearavanont obtained a Bachelor of Science degree in Business Administration from Boston University in USA, majoring in Financial Management. He has extensive experience in the telecommunication and broadcasting industries. Mr. Chearavanont is currently an executive director of Chia Tai Enterprises International Limited, a company listed on the Stock Exchange and the president and chief executive officer of True Corporation Public Company Limited, a company listed on SET. He is also the chief executive officer of True Visions Public Company Limited (formerly known as United Broadcasting Corporation Public Company Limited, which delisted from SET in 2006). Save as disclosed above, Mr. Chearavanont does not hold any directorship in other listed public companies in the three years preceding the date of this circular and he does not hold any other position with the Group.

Mr. Chearavanont is a brother of Messrs. Soopakij Chearavanont and Narong Chearavanont, both are executive Directors. He is also a cousin of Messrs. Meth Jiaravanont (executive vice chairman and executive Director of the Company), Nopadol Chiaravanont, Chatchaval Jiaravanon and Benjamin Jiaravanon, all of whom are executive Directors. Mr. Chearavanont is a son of Mr. Dhanin Chearavanont (executive chairman of the Company) and a nephew of Messrs. Jaran Chiaravanont, Montri Jiaravanont and Sumet Jiaravanon (chairman of the Company), who together are regarded as the controlling shareholders of the Company. Save as disclosed above, Mr. Chearavanont does not have any other relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Chearavanont did not have any interest in Shares within the meaning of Part XV of the SFO.

There is no service contract between Mr. Chearavanont and the Company. He is not appointed for a specific term but shall be subject to retirement by rotation and re-election at general meetings in accordance with the Company’s Bye-Laws. His emolument will be determined with reference to his duties and responsibilities within the Group. The Company will disclose Mr. Chearavanont’s emolument in its upcoming annual report once the amount of his emolument has been determined.

There are no other matters about Mr. Chearavanont’s proposed re-election as a Director which are required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

Mr. Pang Siu Chik (“Mr. Pang”), aged 58, was appointed as Chief Financial Officer and Executive Director of the Company on 8 September 2008. Mr. Pang joined the Group in 1987 and currently, he is also the executive vice president of finance division of the Company. He received his bachelor’s degree in business administration from The Chinese University of Hong Kong and obtained a Graduate Diploma in Business Computing from Nepean College, University of Western Sydney, New South Wales in Australia. Mr. Pang is a fellow member of both the Association of Chartered Certified Accountants and CPA Australia and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Pang holds various directorships in the subsidiaries of the Company. He does not hold any directorships in other listed public companies in the three years preceding the date of this circular.

Mr. Pang does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Pang did not have any interest in Shares within the meaning of Part XV of the SFO.

There is no service contract between Mr. Pang and the Company in relation to his appointment as chief financial officer and executive Director of the Company. He is not appointed for a specific term but shall be subject to retirement by rotation and re-election at general meetings in accordance with the Bye-Laws. His emolument will be determined with reference to his duties and responsibilities within the Group. The Company will disclose Mr. Pang's emolument in its upcoming annual report once the amount of his emolument has been determined.

There are no other matters about Mr. Pang's proposed re-election as a Director which are required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

Mr. Sakda Thanitcul ("Mr. Thanitcul"), aged 50, was appointed as Independent Non-executive Director and member of the audit committee and remuneration committee of the Company on 8 September 2008. Mr. Thanitcul holds a Bachelor of Law from Chulalongkorn University, Thailand, Master of Law from Kyoto University, Japan; and University of Washington, the United States and Doctor of Law from Kyoto University, Japan as well as a PhD in Law from University of Washington, the United States. He has extensive experience in the legal field and is specialized in competition law and the World Trade Organization Agreements. Mr. Thanitcul is presently an Associate Professor of Law and holding a position of Vice-Dean at the Faculty of Law, Chulalongkorn University, Bangkok, Thailand. He has not held any other directorships in listed public companies in the three years preceding the date of this circular. Save for his current position as independent non-executive Director, member of the audit committee and remuneration committee of the Company, Mr. Thanitcul does not hold any other position with the Group.

Mr. Thanitcul does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Thanitcul did not have any interest in Shares within the meaning of SFO.

There is no service contract entered Mr. Thanitcul and the Company in relation to his appointment as independent non-executive Director. He is appointed for a term of one year which is subject to retirement by rotation and re-election at general meetings in accordance with the Bye-Laws. The amount of director's fee for Mr. Thanitcul is HK\$240,000 per annum, which is determined based on his anticipated time and effort to be spent in dealing with the Company's matters.

There are no other matters about Mr. Thanitcul's proposed re-election as a Director which are required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in Shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) as are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he is taken or deemed to have under such provisions of the SFO), recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

Directors' interests in share options granted by the Company

Pursuant to a share option scheme adopted by the Company on 26 November 2002 (the "Scheme"), certain Directors were granted share options. As at the Latest Practicable Date, the interests of the Directors in options to subscribe for Shares under the Scheme were as follows:

Name of Directors	Date of grant	Number of Shares issuable upon exercise of options held as at Latest Practicable Date	Price per Share to be paid on exercise of options HK\$	Approximate percentage of shareholding (%)
Mr. Sumet Jiaravanon	26 February 2003	12,800,000	0.3900	0.4429
	3 May 2004	12,800,000	0.3900	0.4429
	19 May 2005	12,000,000	0.3540	0.4153
Mr. Dhanin Chearavanont	26 February 2003	12,800,000	0.3900	0.4429
	3 May 2004	12,800,000	0.3900	0.4429
	19 May 2005	12,000,000	0.3540	0.4153

Name of Directors	Date of grant	Number of Shares issuable upon exercise of options held as at Latest Practicable Date	Price per Share to be paid on exercise of options HK\$	Approximate percentage of shareholding (%)
Mr. Thanakorn Seriburi	26 February 2003	21,584,807	0.3900	0.7469
	3 May 2004	20,000,000	0.3900	0.6921
	19 May 2005	21,000,000	0.3540	0.7267
Mr. Meth Jiaravanont	19 May 2005	21,000,000	0.3540	0.7267
Mr. Robert Ping-Hsien Ho	26 February 2003	21,584,807	0.3900	0.7469
	3 May 2004	20,000,000	0.3900	0.6921
	19 May 2005	21,000,000	0.3540	0.7267

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interest or short position in Shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) as are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he is taken or deemed to have under such provisions of the SFO), recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

3. SUBSTANTIAL SHAREHOLDERS AND PERSONS WHO HAVE AN INTEREST OR SHORT POSITION WHICH IS DISCLOSEABLE UNDER THE SFO

As at the Latest Practicable Date, the following persons (other than a Director or chief executive of the Company) had the following interests or short positions in Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

Name of Shareholder	Capacity/Nature of interest	Notes	Number of Shares <i>Note 1</i>	Approximate percentage of issued share capital of the Company (%)
CPI Holding Co., Ltd.	Beneficial owner	2	1,004,014,695 (L)	34.74
CP Intertrade	Interest of a controlled corporation	2	1,004,014,695 (L)	34.74
Worth Access Trading Limited	Beneficial owner	3	481,250,000 (L)	16.65
Charoen Pokphand Holding Company Limited	Interest of a controlled corporation	3	481,250,000 (L)	16.65
Charoen Pokphand Group Company Limited	Interest of a controlled corporation	3	481,250,000 (L)	16.65

Notes:

- The letter "L" denotes a long position.
- CPI Holding Co., Ltd. beneficially owned 1,004,014,695 Shares. CP Intertrade had declared an interest in these shares by virtue of its shareholding in CPI Holding Co., Ltd.
- Worth Access Trading Limited beneficially owned 481,250,000 Shares. Charoen Pokphand Holding Company Limited had declared an interest in these Shares by virtue of its shareholding in Worth Access Trading Limited whilst Charoen Pokphand Group Company Limited had also declared an interest in such number of Shares by virtue of its shareholding in Charoen Pokphand Holding Company Limited.

Save as disclosed above, so far as is known to the Directors, as at the Latest Practicable Date, no person (not being a Director or chief executive of the Company) had an interest or a short position in Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

4. COMPETING INTERESTS

As at the Latest Practicable Date, the Directors were not aware that any of the Directors and their associates has interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group which falls to be disclosed under the Listing Rules.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or proposed Directors has entered into any existing or proposed service contracts with the Company or any other member of the Group save for those expiring or determinable by the relevant employer within one year without payment of compensation (other than statutory compensation).

6. MATERIAL ADVERSE CHANGE

The Directors confirm that there was no material adverse change in the financial or trading positions of the Group since 31 December 2007 (the date to which the latest published audited consolidated accounts of the Group were made up).

7. INTERESTS IN ASSETS

On 18 April 2008, CP China as the purchaser and the Company as the vendor, entered into an agreement relating to the Disposal regarding (i) the entire issued share capital of Chia Tai (China) Agro-Industrial Ltd (“CT Agro”), Wide Master Investment Limited and C.T. Progressive (Investment) Ltd. and the entire equity interest in 正大(中國)投資有限公司 (China Tai (China) Investment Co., Ltd.); and (ii) the entire interest in the aggregate amount advanced by the Company to CT Agro, at the total consideration of US\$102,800,000. The Disposal, being a connected transaction and very substantial disposal under the Listing Rules, was approved by the independent shareholders of the Company at the Previous Special General Meeting and completed on 22 August 2008. Messrs. Sumet Jiaravanon and Dhanin Chearavanont, Chairman and Executive Chairman of the Company respectively, being members of the Chearavanont Shareholders, have beneficial interest in CP China.

So far as the Directors are aware, and save as disclosed as aforesaid, as at the Latest Practicable Date, none of the Directors or the expert referred to in paragraph 8 “Qualification and Consent of Expert” below had any direct or indirect interest in any assets of the Company which have been acquired or disposed of by or leased to or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2007, the date of which the latest published audited consolidated financial statements of the Group were made up.

None of the Directors is materially interested in any contract or arrangement subsisting at the date of this circular which is significant in relation to the business of the Group taken as a whole.

8. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given its letter for the inclusion in this circular:

Name	Qualification	Nature of opinion or advice	Date of opinion
Kingsway	A licensed corporation under the SFO permitted to carry out Type 6 regulated activities (as defined under the SFO)	Letter to the Independent Board Committee and the Independent Shareholders	28 November 2008

Kingsway has given and have not withdrawn their written consent to the issue of this circular with the inclusion of their letter and reference to their name in the form and context in which it appears.

As at the Latest Practicable Date, Kingsway did not have any shareholding in the Company or any other member of the Group or the right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in the Company or any other member of the Group.

9. GENERAL

- (a) The Company's registered office is at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda and its head office and principal place of business in Hong Kong is at 21st Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (b) The Hong Kong branch share registrar of the Company is Computershare Hong Kong Investor Services Limited, at Room 1806-7, 18th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (c) The qualified accountant of the Company is Ms. Wong Pui Shan, who is an associate member of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Accountants in England and Wales and a fellow member of the Association of Chartered Certified Accountants.
- (d) The secretary of the Company is Ms. Chan Pui Shan, Bessie. She is an associate member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.
- (e) The English text of this circular shall prevail over Chinese text in the case of any inconsistency.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company's principal place of business in Hong Kong at 21st Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong up to and including 15 December 2008:

- (a) the CP China CCT Agreement;
- (b) the CPP Supply Agreement;
- (c) the letter from Independent Board Committee, the text of which is set out on page 11 of this circular;
- (d) the letter from Kingsway, the text of which is set out on pages 12 to 18 of this circular; and
- (e) the written consent from Kingsway referred to in paragraph headed "Qualification and Consent of Expert" in this Appendix.

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 of C.P. Pokphand Co. Ltd. (the “Company”) will be held at 21st Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong on Monday, 15 December 2008 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions as ordinary resolutions of the Company with votes on resolutions numbered 1 and 2 to be taken by way of poll and resolutions numbered 3 to 6 to be taken by show of hands:

ORDINARY RESOLUTIONS

1. **“THAT** the annual caps under the CP China-CCT Agreement (as defined in the circular of the Company dated 28 November 2008 of which this notice forms part) for the financial year ending 31 December 2008 be increased to RMB15,074,000 representing the prorated portion for the remaining part of the year ending 31 December 2008 from 22 August 2008 being the date on which the CP China-CCT Agreement became effective, and for the financial years ending 31 December 2009 and 31 December 2010 be increased to, RMB50,400,000 and RMB60,480,000, respectively.”
2. **“THAT** the annual caps under the CPP Supply Agreement (as defined in the circular of the Company dated 28 November 2008 of which this notice forms part) for each of the three financial years ending 31 December 2008, 31 December 2009 and 31 December 2010 be increased to RMB4,000,000, RMB4,800,000 and RMB5,760,000, respectively.”
3. **“THAT** Mr. Chatchaval Jiaravanon be and is hereby re-elected as executive director of the Company.”
4. **“THAT** Mr. Suphachai Chearavanont be and is hereby re-elected as executive director of the Company.”
5. **“THAT** Mr. Pang Siu Chik be and is hereby re-elected as executive director of the Company.”
6. **“THAT** Mr. Sakda Thanitcul be and is hereby re-elected as independent non-executive director of the Company.”

By Order of the Board
Chan Pui Shan, Bessie
Company Secretary

Hong Kong, 28 November 2008

NOTICE OF SPECIAL GENERAL MEETING

Notes:

1. A form of proxy for use at the 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 authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person authorized to sign the same.
3. Any shareholder entitled to attend and vote at the 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 Registrar in Hong Kong at Computershare Hong Kong Investor Services Limited, at Room 1806-7, 18th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the 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 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 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. Pursuant to the existing Bye-Law 59 of the Company's Bye-Laws, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is required under the Listing Rules or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded (i) by the chairman of the meeting; or (ii) by at least three shareholders of the Company present in person or by proxy and entitled to vote; or (iii) by any shareholder or shareholders of the Company present in person (or in the case of a shareholder of the Company being a corporation, by its duly authorized representative) or by proxy and representing in aggregate not less than one-tenth of the total voting rights of all shareholders of the Company having the right to attend and vote at the meeting; or (iv) by a shareholder or shareholders of the Company present in person (or in the case of a shareholder of the Company being a corporation, by its duly authorized representative) or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.