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

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 43)

### **PROPOSED REDUCTION OF SHARE PREMIUM**

The Board intends to put forward a proposal to the Shareholders at the AGM for a reduction of the share premium account of the Company.

The Reduction of Share Premium is conditional upon (i) the approval of the Shareholders at the AGM; and (ii) compliance with the relevant requirements under the Companies Act.

A circular containing, amongst others, details of the Reduction of Share Premium, together with the notice of AGM and the related proxy form, will be sent to the Shareholders in due course.

### **PROPOSED REDUCTION OF SHARE PREMIUM**

The Board intends to put forward a proposal to the Shareholders at the AGM for a reduction of the share premium account of the Company.

As at 31st December, 2008, the amount standing to the credit of the share premium account of the Company was HK\$576,402,676.36 and the accumulated losses of the Company was HK\$871,694,180.49. It is proposed that the entire amount standing to the credit of the share premium account of the Company as at 31st December, 2008 be reduced to zero with the credit arising therefrom in the sum of HK\$576,402,676.36 be transferred to the contributed surplus account of the Company. Upon the said transfer becoming effective, an amount of HK\$576,402,676.36 standing to the credit of the contributed surplus account of the Company will be applied to offset the accumulated losses of the Company as at 31st December, 2008.

The Reduction of Share Premium does not involve any reduction in the authorized or issued share capital of the Company nor does it involve any reduction in the nominal value of the Shares or the trading arrangements concerning the Shares.

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

The Board considers that the Reduction of Share Premium will give the Company more flexibility to declare dividends to the Shareholders at an earlier opportunity in the future as and when the Board considers appropriate. The Board also considers that the Reduction of Share Premium is in the interests of the Company and the Shareholders as a whole.

### **Effect of the Reduction of Share Premium**

Implementation of the Reduction of Share Premium will not, of itself, affect the underlying assets, liabilities, business operations, management or financial position of the Company or the interests of the Shareholders as a whole or the share capital of the Company other than related expenses incurred.

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

The Reduction of Share Premium is conditional upon:

- (i) the passing of a special resolution to approve the Reduction of Share Premium at the AGM; and
- (ii) compliance with the relevant requirements under the Companies Act.

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

### **General**

A circular containing, amongst other, details of the Reduction of Share Premium, together with the notice of AGM and the related proxy form, will be sent to the Shareholders in due course.

### **DEFINITIONS**

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

“AGM”	the annual general meeting of the Company to be convened at 21st Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong on Wednesday, 3rd June, 2009 at 10:00 a.m.
“Board”	the board of Directors
“Companies Act”	The Companies Act 1981 of Bermuda (as amended)

“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
“Directors”	the directors of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Reduction of Share Premium”	the proposed reduction of an amount of HK\$576,402,676.36 standing to the credit of the share premium account of the Company as at 31st December, 2008, as referred to in the section headed “Proposed Reduction of Share Premium”
“Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of United States

By Order of the Board  
**Pang Siu Chik**  
*Director*

Hong Kong, 24th April, 2009

*As at the date of this announcement, the Board comprises twelve executive Directors, namely, 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, and three independent non-executive Directors, namely, Mr. Ma Chiu Cheung, Andrew, Mr. Sombat Deo-isres and Mr. Sakda Thanitcul.*