
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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

(Incorporated in Bermuda with limited liability)

(Stock Code: 43)

CONTINUING CONNECTED TRANSACTIONS

**Independent financial adviser to the Independent Board Committee and
the Independent Shareholders**

**KINGSWAY CAPITAL LIMITED**

A letter from the Independent Board Committee is set out on page 21 of this circular. A letter from Kingsway Capital Limited containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 22 to 28 of this circular.

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 Thursday, 21st April, 2005 at 10:00 a.m., is set out on pages 35 to 43 of this circular.

Whether or not you are able to attend the Special General Meeting, you are requested to complete and return the enclosed 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 Special General Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the said meeting or any adjourned meeting should you so wish.

29th March, 2005

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DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Beijing Lotus”	北京易初蓮花連鎖超市有限公司(Beijing Lotus Supermarket Chain Store Co., Ltd.), a sino-foreign equity joint venture established in the PRC which is a subsidiary of CTEI
“Board”	the board of Directors
“Chia Tai Food”	正大食品企業(上海)有限公司 (Chia Tai Food Product (Shanghai) Co., Ltd.), a wholly foreign-owned enterprise established in the PRC which is a subsidiary of CPP
“connected person”	has the meaning ascribed to it under the Listing Rules
“Continuing Connected Transactions”	CTEI Continuing Connected Transactions and Shanghai Lotus Continuing Connected Transactions
“CPP”	C.P. Pokphand Co. Ltd., a company incorporated in Bermuda whose shares are listed and traded on the Main Board of the Stock Exchange
“CPP Subsidiaries”	Ningbo Oil, Qingdao Chia Tai, Xianghe Chia Tai, Chia Tai Food and Shaanxi Chia Tai
“C.P. Seven Eleven”	C.P. Seven Eleven Public Company Limited, a company incorporated in Thailand whose shares are listed on the Stock Exchange of Thailand
“CTEI”	Chia Tai Enterprises International Limited (正大企業國際有限公司), a company incorporated in the Cayman Islands whose shares are listed and traded on the Main Board of the Stock Exchange
“CTEI Continuing Connected Transactions”	the continuing connected transactions under the CTEI Continuing Connected Transaction Agreements, which constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules

DEFINITIONS

“CTEI Continuing Connected Transaction Agreements”	Ningbo Oil Edible Oil Supply (1) Agreement, Ningbo Oil Edible Oil Supply (2) Agreement, Qingdao Chia Tai Chicken and Processed Meat Supply (1) Agreement, Qingdao Chia Tai Chicken and Processed Meat Supply (2) Agreement, Qingdao Chia Tai Chicken and Processed Meat Supply (3) Agreement, Xianghe Chia Tai Duck and Processed Meat Supply (1) Agreement, Xianghe Chia Tai Duck and Processed Meat Supply (2) Agreement, Shaanxi Chia Tai Eggs, Chicken and Processed Meat Supply (1) Agreement and Shaanxi Chia Tai Eggs, Chicken and Processed Meat Supply (2) Agreement
“CTEI Supermarket Subsidiaries”	Beijing Lotus, Tianjin Lotus, Taian Lotus, Xian Lotus, Zhengzhou Lotus and Jinan Lotus
“Directors”	the directors of CPP
“Group”	CPP 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 independent committee of the Board comprising Mr. Budiman Elkana and Mr. Cheung Koon Yuet, Peter, independent non-executive Directors which has been established to advise the Independent Shareholders in respect of the terms and the related caps of the Continuing Connected Transactions;
“Independent Shareholders”	Shareholders other than the Chearavanont Shareholders and their respective associates (including CPI Holding Co., Ltd.)
“Jinan Lotus”	濟南易初蓮花連鎖超市有限公司(Jinan Lotus Supermarket Chain Store Co., Ltd.), a wholly foreign-owned enterprise established in the PRC which is a subsidiary of CTEI
“Kingsway”	Kingsway Capital Limited, a licensed corporation for type 6 regulated activities as set out in Schedule 5 of the SFO, appointed as independent financial adviser to the Independent Board Committee the Independent Shareholders in relation to the Continuing Connected Transactions and the related caps
“Latest Practicable Date”	23rd March, 2005, being the latest practicable date for ascertaining certain information for inclusion in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ningbo Oil”	寧波正大糧油實業有限公司 (Ningbo Chia Tai Cereal and Oil Industrial Co., Ltd.), a wholly foreign-owned enterprise established in the PRC which is a subsidiary of CPP
“Ningbo Oil Edible Oil Supply (1) Agreement”	the supply agreement entered into between Xian Lotus and Ningbo Oil on 15th February, 2005 in relation to the supply of edible oil by Ningbo Oil to Xian Lotus on an ongoing basis
“Ningbo Oil Edible Oil Supply (2) Agreement”	the supply agreement entered into between Zhengzhou Lotus and Ningbo Oil on 15th February, 2005 in relation to the supply of edible oil by Ningbo Oil to Zhengzhou Lotus on an ongoing basis
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan)
“Qingdao Chia Tai”	青島正大有限公司 (Qingdao Chia Tai Company Limited), a wholly foreign-owned enterprise established in the PRC which is a subsidiary of CPP
“Qingdao Chia Tai Chicken and Processed Meat Supply (1) Agreement”	the supply agreement entered into between Taian Lotus and Qingdao Chia Tai on 15th February, 2005 in relation to the supply of chicken and processed meat by Qingdao Chia Tai to Taian Lotus on an ongoing basis
“Qingdao Chia Tai Chicken and Processed Meat Supply (2) Agreement”	the supply agreement entered into between Zhengzhou Lotus and Qingdao Chia Tai on 15th February, 2005 in relation to the supply of chicken and processed meat by Qingdao Chia Tai to Zhengzhou Lotus on an ongoing basis
“Qingdao Chia Tai Chicken and Processed Meat Supply (3) Agreement”	the supply agreement entered into between Jinan Lotus and Qingdao Chia Tai on 15th February, 2005 in relation to the supply of chicken and processed meat by Qingdao Chia Tai to Jinan Lotus on an ongoing basis
“RMB”	renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Shaanxi Chia Tai”	陝西正大有限公司 (Shaanxi Chia Tai Company Limited), a sino-foreign cooperative joint venture established in the PRC which is a subsidiary of CPP
“Shaanxi Chia Tai Eggs, Chicken and Processed Meat Supply (1) Agreement”	the supply agreement entered into between Xian Lotus and Shaanxi Chia Tai on 15th February, 2005 in relation to the supply of eggs, chicken and processed meat by Shaanxi Chia Tai to Xian Lotus on an ongoing basis
“Shaanxi Chia Tai Eggs, Chicken and Processed Meat Supply (2) Agreement”	the supply agreement entered into between Zhengzhou Lotus and Shaanxi Chia Tai on 15th February, 2005 in relation to the supply of eggs, chicken and processed meat by Shaanxi Chia Tai to Zhengzhou Lotus on an ongoing basis
“Shanghai Lotus”	上海易初蓮花連鎖超市有限公司(Shanghai Lotus Supermarket Chain Store Co., Ltd.), a sino-foreign cooperative joint venture established in the PRC which is a subsidiary of C.P. Seven Eleven
“Shanghai Lotus Chicken and Processed Meat Purchase (1) Agreement”	the purchase agreement entered into between Shanghai Lotus and Qingdao Chia Tai on 15th February, 2005 in relation to the purchase of chicken and processed meat by Shanghai Lotus from Qingdao Chia Tai on an ongoing basis
“Shanghai Lotus Chicken and Processed Meat Purchase (2) Agreement”	the purchase agreement entered into between Shanghai Lotus and Chia Tai Food on 15th February, 2005 in relation to the purchase of chicken and processed meat by Shanghai Lotus from Chia Tai Food on an ongoing basis
“Shanghai Lotus Continuing Connected Transactions”	the continuing transactions under the Shanghai Lotus Continuing Connected Transaction Agreements, which constitute continuing connected transactions as defined in the Listing Rules
“Shanghai Lotus Continuing Connected Transaction Agreements”	Shanghai Lotus Edible Oil Purchase Agreement, Shanghai Lotus Chicken and Processed Meat Purchase (1) Agreement and Shanghai Lotus Chicken, Processed Meat Purchase (2) Agreement and Shanghai Lotus Duck and Processed Meat Purchase Agreement
“Shanghai Lotus Duck and Processed Meat Purchase Agreement”	the purchase agreement entered into between Shanghai Lotus and Xianghe Chia Tai on 15th February, 2005 in relation to the purchase of duck and processed meat by Shanghai Lotus from Xianghe Chia Tai on an ongoing basis

DEFINITIONS

“Shanghai Lotus Edible Oil Purchase Agreement”	the purchase agreement entered into between Shanghai Lotus and Ningbo Oil on 15th February, 2005 in relation to the purchase of edible oil by Shanghai Lotus from Ningbo Oil on an ongoing basis
“Shareholders”	shareholders of CPP
“Share(s)”	ordinary shares of US\$0.05 each in the issued share capital of CPP
“Special General Meeting”	the special general meeting of CPP to be held on Thursday, 21st April, 2005 at 10:00 a.m. to approve the terms and the related caps of the Continuing Connected Transactions, notice of which is set out on pages 35 to 43 of this circular
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Taian Lotus”	泰安易初蓮花連鎖超市有限公司(Taian Lotus Supermarket Chain Store Co., Ltd.), a company established in the PRC with limited liability which is a subsidiary of CTEI
“Tianjin Lotus”	天津易初蓮花連鎖超市有限公司(Tianjin Lotus Supermarket Chain Store Co., Ltd.), a sino-foreign equity joint venture established in the PRC which is a subsidiary of CTEI
“Xian Lotus”	西安易初蓮花連鎖超市有限公司(Xian Lotus Supermarket Chain Store Co., Ltd.), a company established in the PRC with limited liability which is a subsidiary of CTEI
“Xianghe Chia Tai”	香河正大有限公司 (Xianghe Chia Tai Co., Ltd.), a sino-foreign equity joint venture established in the PRC which is a subsidiary of CPP
“Xianghe Chia Tai Duck and Processed Meat Supply (1) Agreement”	the supply agreement entered into between Beijing Lotus and Xianghe Chia Tai on 15th February, 2005 in relation to the supply of duck and processed meat by Xianghe Chia Tai to Beijing Lotus on an ongoing basis
“Xianghe Chia Tai Duck and Processed Meat Supply (2) Agreement”	the supply agreement entered into between Tianjin Lotus and Xianghe Chia Tai on 15th February, 2005 in relation to the supply of duck and processed meat by Xianghe Chia Tai to Tianjin Lotus on an ongoing basis

DEFINITIONS

“Zhengzhou Lotus”

鄭州易初蓮花連鎖超市有限公司 (Zhengzhou Lotus Supermarket Chain Store Co., Ltd.), a company established in the PRC with limited liability which is a subsidiary of CTEI

“%”

per cent

LETTER FROM THE BOARD



C.P. POKPHAND CO. LTD.

(Incorporated in Bermuda with limited liability)

(Stock Code: 43)

Directors:

Mr. Jaran Chiaravanont
Mr. Montri Jiaravanont
Mr. Dhanin Chearavanont
Mr. Sumet Jiaravanon
Mr. Prasert Poongkumarn
Mr. Min Tieworn
Mr. Thirayut Phitya-Isarakul
Mr. Thanakorn Seriburi
Mr. Veeravat Kanchanadul
Mr. Budiman Elkana*
Mr. Cheung Koon Yuet, Peter*

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Principal office in Hong Kong:

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

* *Independent non-executive Directors*

29th March, 2005

To Shareholders

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

It was announced that on 15th February, 2005, the CPP Subsidiaries (excluding Chia Tai Food) entered into a number of master supply agreements with the CTEI Supermarket Subsidiaries in respect of the supply of merchandise including edible oil, eggs, chicken and processed meat, duck and processed meat. These agreements set out the framework within which the relevant merchandise is to be supplied by the CPP Subsidiaries (excluding Chia Tai Food) and in particular the key terms and conditions and the general pricing principles to be followed by the CTEI Supermarket Subsidiaries when they place specific orders from time to time with the CPP Subsidiaries (excluding Chia Tai Food) for the purchase of the relevant merchandise.

LETTER FROM THE BOARD

CTEI and its subsidiaries are associates of the controlling shareholders of CPP and therefore are connected persons of CPP as defined under Rule 14A.11 of the Listing Rules. Accordingly, transactions under the relevant master supply agreements constitute continuing connected transactions for CPP under the Listing Rules.

On 15th February, 2005, each of Ningbo Oil, Qingdao Chia Tai, Xianghe Chia Tai and Chia Tai Food entered into a master supply agreement with Shanghai Lotus for the supply of merchandise including edible oil, chicken and processed meat and duck and processed meat to Shanghai Lotus. Such agreements also set out the framework within which the relevant merchandise are to be supplied by the CPP Subsidiaries (excluding Shaanxi Chia Tai) and in particular the key terms and conditions and the general pricing principles to be followed by Shanghai Lotus when they place specific orders with the CPP Subsidiaries (excluding Shaanxi Chia Tai) from time to time for the purchase of the relevant merchandise.

Shanghai Lotus is a subsidiary of C.P. Seven Eleven which is an associate of the controlling shareholders of CPP, and therefore is a connected person of CPP as defined under Rule 14A.11 of the Listing Rules. Accordingly, transactions under the relevant master supply agreements constitute continuing connected transactions for CPP under the Listing Rules.

Taking into account the aggregate number of CTEI Continuing Connected Transactions and Shanghai Lotus Continuing Connected Transactions being entered into by the respective CPP Subsidiaries, the aggregate annual caps of the CTEI Continuing Connected Transactions and the aggregate annual caps of the Shanghai Lotus Continuing Connected Transactions, CPP will have each of the Continuing Connected Transactions and the related caps be subject to Independent Shareholders' approval at the Special General Meeting and be the subject of advice from the Independent Board Committee and the fairness opinion of Kingsway.

The purpose of this circular is to provide you with information regarding the Continuing Connected Transactions, to set out the advice from Kingsway to the Independent Board Committee and the Independent Shareholders and the recommendation of the Independent Board Committee in respect of the Continuing Connected Transactions and to give notice to the Independent Shareholders to convene the Special General Meeting to consider and, if thought fit, to approve the terms and the related caps of the Continuing Connected Transactions.

LETTER FROM THE BOARD

DETAILS OF THE CTEI CONTINUING CONNECTED TRANSACTIONS

The CTEI Continuing Connected Transactions comprise transactions carried out by the CPP Subsidiaries with the respective CTEI Supermarket Subsidiaries pursuant to the following agreements:-

- (1) Ningbo Oil Edible Oil Supply (1) Agreement
- (2) Ningbo Oil Edible Oil Supply (2) Agreement
- (3) Qingdao Chia Tai Chicken and Processed Meat Supply (1) Agreement
- (4) Qingdao Chia Tai Chicken and Processed Meat Supply (2) Agreement
- (5) Qingdao Chia Tai Chicken and Processed Meat Supply (3) Agreement
- (6) Xianghe Chia Tai Duck and Processed Meat Supply (1) Agreement
- (7) Xianghe Chia Tai Duck and Processed Meat Supply (2) Agreement
- (8) Shaanxi Chia Tai Eggs, Chicken and Processed Meat Supply (1) Agreement
- (9) Shaanxi Chia Tai Eggs, Chicken and Processed Meat Supply (2) Agreement

DETAILS OF THE SHANGHAI LOTUS CONTINUING CONNECTED TRANSACTIONS

The Shanghai Lotus Continuing Connected Transactions include transactions carried out by the CPP Subsidiaries (excluding Shaanxi Chia Tai) with Shanghai Lotus pursuant to the following agreements:-

- (1) Shanghai Lotus Edible Oil Purchase Agreement
- (2) Shanghai Lotus Chicken and Processed Meat Purchase (1) Agreement
- (3) Shanghai Lotus Chicken and Processed Meat Purchase (2) Agreement
- (4) Shanghai Lotus Duck and Processed Meat Purchase Agreement

LETTER FROM THE BOARD

CTEI CONTINUING CONNECTED TRANSACTION AGREEMENTS

(1) Ningbo Oil Edible Oil Supply (1) Agreement

Date: 15th February, 2005

Parties: (i) Ningbo Oil as supplier (a CPP Subsidiary)
(ii) Xian Lotus as purchaser (a CTEI Supermarket Subsidiary)

Subject: Edible oil

Term: With effect from 1st January, 2005 to 31st December, 2007

Price: To be determined by reference to the prevailing market price and demand of edible oil in the PRC and the production costs of Ningbo Oil, and no less favourable to this CPP Subsidiary than those available from independent third parties

Payment terms: Credit terms of up to 60 days. Payment shall be made by telegraphic transfer, bank-issued bills payable within three months or other payment methods acceptable in the PRC.

The annual value of the edible oil to be supplied by Ningbo Oil to Xian Lotus for the financial years ending 31st December, 2005, 31st December, 2006 and 31st December, 2007 will not exceed HK\$8,000,000, HK\$8,800,000 and HK\$9,680,000 respectively. The caps have been determined by reference to (i) the indication of the likely purchase value by Xian Lotus; (ii) based on the increase in PRC's consumer price index of approximately 3.9% for 2004, the possible price increases in line with consumer prices in the PRC generally; and (iii) the possibility of the revaluation of RMB in the coming years.

(2) Ningbo Oil Edible Oil Supply (2) Agreement

Date: 15th February, 2005

Parties: (i) Ningbo Oil as supplier (a CPP Subsidiary)
(ii) Zhengzhou Lotus as purchaser (a CTEI Supermarket Subsidiary)

Subject: Edible oil

Term: With effect from 1st January, 2005 to 31st December, 2007

Price: To be determined by reference to the prevailing market price and demand of edible oil in the PRC and the production costs of Ningbo Oil, and no less favourable to this CPP Subsidiary than those available from independent third parties

LETTER FROM THE BOARD

Payment terms: Credit terms of up to 60 days. Payment shall be made by telegraphic transfer, bank-issued bills payable within three months or other payment methods acceptable in the PRC.

The annual value of the edible oil to be supplied by Ningbo Oil to Zhengzhou Lotus for the financial years ending 31st December, 2005, 31st December, 2006 and 31st December, 2007 will not exceed HK\$8,000,000, HK\$8,800,000 and HK\$9,680,000 respectively. The caps have been determined by reference to (i) the indication of the likely purchase value by Zhengzhou Lotus; (ii) based on the increase in PRC's consumer price index of approximately 3.9% for 2004, the possible price increases in line with consumer prices in the PRC generally; and (iii) the possibility of the revaluation of RMB in the coming years.

(3) Qingdao Chia Tai Chicken and Processed Meat Supply (1) Agreement

Date: 15th February, 2005

Parties: (i) Qingdao Chia Tai as supplier (a CPP Subsidiary)
(ii) Taian Lotus as purchaser (a CTEI Supermarket Subsidiary)

Subject: Chicken and processed meat

Term: With effect from 1st January, 2005 to 31st December, 2007

Price: To be determined by reference to the prevailing market price and demand of chicken and processed meat in the PRC and the production costs of Qingdao Chia Tai, and no less favourable to this CPP Subsidiary than those available from independent third parties

Payment terms: Credit terms of up to 60 days. Payment shall be made by telegraphic transfer, bank-issued bills payable within three months or other payment methods acceptable in the PRC.

The annual value of the chicken and processed meat to be supplied by Qingdao Chia Tai to Taian Lotus for the financial years ending 31st December, 2005, 31st December, 2006 and 31st December, 2007 will not exceed HK\$8,000,000, HK\$8,800,000 and HK\$9,680,000 respectively. The caps have been determined by reference to (i) the aggregate value of chicken and processed meat of approximately HK\$728,000 supplied by Qingdao Chia Tai to Taian Lotus in 2004; (ii) the indication of the likely purchase value by Taian Lotus; (iii) based on the increase in PRC's consumer price index of approximately 3.9% for 2004, the possible price increases in line with consumer prices in the PRC generally; and (iv) the possibility of the revaluation of RMB in the coming years.

LETTER FROM THE BOARD

(4) Qingdao Chia Tai Chicken and Processed Meat Supply (2) Agreement

Date: 15th February, 2005

Parties: (i) Qingdao Chia Tai as supplier (a CPP Subsidiary)
(ii) Zhengzhou Lotus as purchaser (a CTEI Supermarket Subsidiary)

Subject: Chicken and processed meat

Term: With effect from 1st January, 2005 to 31st December, 2007

Price: To be determined by reference to the prevailing market price and demand of chicken and processed meat in the PRC and the production costs of Qingdao Chia Tai, and no less favourable to this CPP Subsidiary than those available from independent third parties

Payment terms: Credit terms of up to 60 days. Payment shall be made by telegraphic transfer, bank-issued bills payable within three months or other payment methods acceptable in the PRC.

The annual value of the chicken and processed meat to be supplied by Qingdao Chia Tai to Zhengzhou Lotus for the financial years ending 31st December, 2005, 31st December, 2006 and 31st December, 2007 will not exceed HK\$3,000,000, HK\$3,300,000 and HK\$3,630,000 respectively. The caps have been determined by reference to (i) the indication of the likely purchase value by Zhengzhou Lotus; (ii) based on the increase in PRC's consumer price index of approximately 3.9% for 2004, the possible price increases in line with consumer prices in the PRC generally; and (iii) the possibility of the revaluation of RMB in the coming years.

(5) Qingdao Chia Tai Chicken and Processed Meat Supply (3) Agreement

Date: 15th February, 2005

Parties: (i) Qingdao Chia Tai as supplier (a CPP Subsidiary)
(ii) Jinan Lotus as purchaser (a CTEI Supermarket Subsidiary)

Subject: Chicken and processed meat

Term: With effect from 20th January, 2005 to 31st December, 2007

LETTER FROM THE BOARD

Price: To be determined by reference to the prevailing market price and demand of chicken and processed meat in the PRC and the production costs of Qingdao Chia Tai, and no less favourable to this CPP Subsidiary than those available from independent third parties

Payment terms: Credit terms of up to 60 days. Payment shall be made by telegraphic transfer, bank-issued bills payable within three months or other payment methods acceptable in the PRC.

The annual value of the chicken and processed meat to be supplied by Qingdao Chia Tai to Jinan Lotus for the financial years ending 31st December, 2005, 31st December, 2006 and 31st December, 2007 will not exceed HK\$3,000,000, HK\$3,300,000 and HK\$3,630,000 respectively. The caps have been determined by reference to (i) the indication of the likely purchase value by Jinan Lotus; (ii) based on the increase in PRC's consumer price index of approximately 3.9% for 2004, the possible price increases in line with consumer prices in the PRC generally; and (iii) the possibility of the revaluation of RMB in the coming years.

(6) Xianghe Chia Tai Duck and Processed Meat Supply (1) Agreement

Date: 15th February, 2005

Parties: (i) Xianghe Chia Tai as supplier (a CPP Subsidiary)
(ii) Beijing Lotus as purchaser (a CTEI Supermarket Subsidiary)

Subject: Duck and processed meat

Term: With effect from 1st January, 2005 to 31st December, 2007

Price: To be determined by reference to the prevailing market price and demand of duck and processed meat in the PRC and the production costs of Xianghe Chia Tai, and no less favourable to this CPP Subsidiary than those available from independent third parties

Payment terms: Credit terms of up to 60 days. Payment shall be made by telegraphic transfer, bank-issued bills payable within three months or other payment methods acceptable in the PRC.

The annual value of the duck and processed meat to be supplied by Xianghe Chia Tai to Beijing Lotus for the financial years ending 31st December, 2005, 31st December, 2006 and 31st December, 2007 will not exceed HK\$6,000,000, HK\$6,600,000 and HK\$7,260,000 respectively. The caps have been determined by reference to (i) the aggregate value of duck and processed meat of approximately HK\$841,000 supplied by Xianghe Chia Tai to Beijing Lotus in 2004; (ii) the indication of the likely purchase value by Beijing Lotus; (iii) based on the increase in PRC's consumer price index of approximately 3.9% for 2004, the possible price increases in line with consumer prices in the PRC generally; and (iv) the possibility of the revaluation of RMB in the coming years.

LETTER FROM THE BOARD

(7) Xianghe Chia Tai Duck and Processed Meat Supply (2) Agreement

Date: 15th February, 2005

Parties: (i) Xianghe Chia Tai as supplier (a CPP Subsidiary)
(ii) Tianjin Lotus as purchaser (a CTEI Supermarket Subsidiary)

Subject: Duck and processed meat

Term: With effect from 1st January, 2005 to 31st December, 2007

Price: To be determined by reference to the prevailing market price and demand of duck and processed meat in the PRC and the production costs of Xianghe Chia Tai, and no less favourable to this CPP Subsidiary than those available from independent third parties

Payment terms: Credit terms of up to 60 days. Payment shall be made by telegraphic transfer, bank-issued bills payable within three months or other payment methods acceptable in the PRC.

The annual value of the duck and processed meat to be supplied by Xianghe Chia Tai to Tianjin Lotus for the financial years ending 31st December, 2005, 31st December, 2006 and 31st December, 2007 will not exceed HK\$3,000,000, HK\$3,300,000 and HK\$3,630,000 respectively. The caps have been determined by reference to (i) the aggregate value of duck and processed meat of approximately HK\$139,000 supplied by Xianghe Chia Tai to Tianjin Lotus in 2004; (ii) the indication of the likely purchase value by Tianjin Lotus; (iii) based on the increase in PRC's consumer price index of approximately 3.9% for 2004, the possible price increases in line with consumer prices in the PRC generally; and (iv) the possibility of the revaluation of RMB in the coming years.

(8) Shaanxi Chia Tai Eggs, Chicken and Processed Meat Supply (1) Agreement

Date: 15th February, 2005

Parties: (i) Shaanxi Chia Tai as supplier (a CPP Subsidiary)
(ii) Xian Lotus as purchaser (a CTEI Supermarket Subsidiary)

Subject: Eggs, chicken and processed meat

Term: With effect from 1st January, 2005 to 31st December, 2007

Price: To be determined by reference to the prevailing market price and demand of eggs, chicken and processed meat in the PRC and the production costs of Shaanxi Chia Tai, and no less favourable to this CPP Subsidiary than those available from independent third parties

LETTER FROM THE BOARD

Payment terms: Credit terms of up to 60 days. Payment shall be made by telegraphic transfer, bank-issued bills payable within three months or other payment methods acceptable in the PRC.

The annual value of the eggs, chicken and processed meat to be supplied by Shaanxi Chia Tai to Xian Lotus for the financial years ending 31st December, 2005, 31st December, 2006 and 31st December, 2007 will not exceed HK\$4,000,000, HK\$4,400,000 and HK\$4,840,000 respectively. The caps have been determined by reference to (i) the aggregate value of eggs, chicken and processed meat of approximately HK\$489,000 supplied by Shaanxi Chia Tai to Xian Lotus in 2004; (ii) the indication of the likely purchase value by Xian Lotus; (iii) based on the increase in PRC's consumer price index of approximately 3.9% for 2004, the possible price increases in line with consumer prices in the PRC generally; and (iv) the possibility of the revaluation of RMB in the coming years.

(9) Shaanxi Chia Tai Eggs, Chicken and Processed Meat Supply (2) Agreement

Date: 15th February, 2005

Parties: (i) Shaanxi Chia Tai as supplier (a CPP Subsidiary)
(ii) Zhengzhou Lotus as purchaser (a CTEI Supermarket Subsidiary)

Subject: Eggs, chicken and processed meat

Term: With effect from 1st January, 2005 to 31st December, 2007

Price: To be determined by reference to the prevailing market price and demand of eggs, chicken and processed meat in the PRC and the production costs of Shaanxi Chia Tai, and no less favourable to this CPP Subsidiary than those available from independent third parties

Payment terms: Credit terms of up to 60 days. Payment shall be made by telegraphic transfer, bank-issued bills payable within three months or other payment methods acceptable in the PRC.

The annual value of the eggs, chicken and processed meat to be supplied by Shaanxi Chia Tai to Zhengzhou Lotus for the financial years ending 31st December, 2005, 31st December, 2006 and 31st December, 2007 will not exceed HK\$4,000,000, HK\$4,400,000 and HK\$4,840,000 respectively. The caps have been determined by reference to (i) the indication of the likely purchase value by Zhengzhou Lotus; (ii) based on the increase in PRC's consumer price index of approximately 3.9% for 2004, the possible price increases in line with consumer prices in the PRC generally; and (iii) the possibility of the revaluation of RMB in the coming years.

LETTER FROM THE BOARD

SHANGHAI LOTUS CONTINUING CONNECTED TRANSACTION AGREEMENTS

(1) Shanghai Lotus Edible Oil Purchase Agreement

Date: 15th February, 2005

Parties: (i) Ningbo Oil as supplier (a CPP Subsidiary)
(ii) Shanghai Lotus as purchaser

Subject: Edible Oil

Term: With effect from 1st January, 2005 to 31st December, 2007

Price: To be determined by reference to the prevailing market price and demand of edible oil in the PRC and the production costs of Ningbo Oil, and no less favourable to this CPP Subsidiary than those available from independent third parties

Payment terms: Credit terms of up to 60 days. Payment for the purchases shall be made by telegraphic transfer, bank-issued bills payable within three months or other payment methods acceptable in the PRC.

The annual value of the purchases of edible oil by Shanghai Lotus from Ningbo Oil for the financial years ending 31st December, 2005, 31st December, 2006 and 31st December, 2007 will not exceed HK\$180,000,000, HK\$198,000,000 and HK\$217,800,000 respectively. The caps have been determined by reference to (i) the aggregate value of edible oil of approximately HK\$99,270,000 purchased by Shanghai Lotus from Ningbo Oil in 2004; (ii) the indication of the likely purchase value by Shanghai Lotus; (iii) based on the increase in PRC's consumer price index of approximately 3.9% for 2004, the possible price increases in line with consumer prices in the PRC generally; and (iv) the possibility of the revaluation of RMB in the coming years.

(2) Shanghai Lotus Chicken and Processed Meat Purchase (1) Agreement

Date: 15th February, 2005

Parties: (i) Qingdao Chia Tai as supplier (a CPP Subsidiary)
(ii) Shanghai Lotus as purchaser

Subject: Chicken and processed meat

Term: With effect from 1st January, 2005 to 31st December, 2007

LETTER FROM THE BOARD

- Price: To be determined by reference to the prevailing market price and demand of chicken and processed meat in the PRC and the production costs of Qingdao Chia Tai, and no less favourable to this CPP Subsidiary than those available from independent third parties
- Payment terms: Credit terms of up to 60 days. Payment for the purchases shall be made by telegraphic transfer, bank-issued bills payable within three months or other payment methods acceptable in the PRC.

The annual value of the purchases of chicken and processed meat by Shanghai Lotus from Qingdao Chia Tai for the financial years ending 31st December, 2005, 31st December, 2006 and 31st December, 2007 will not exceed HK\$140,000,000, HK\$154,000,000 and HK\$169,400,000 respectively. The caps have been determined by reference to (i) the aggregate value of chicken and processed meat of approximately HK\$59,470,000 purchased by Shanghai Lotus from Qingdao Chia Tai in 2004; (ii) the indication of the likely purchase value by Shanghai Lotus; (iii) based on the increase in PRC's consumer price index of approximately 3.9% for 2004, the possible price increases in line with consumer prices in the PRC generally; and (iv) the possibility of the revaluation of RMB in the coming years.

(3) Shanghai Lotus Chicken and Processed Meat Purchase (2) Agreement

- Date: 15th February, 2005
- Parties: (i) Chia Tai Food as supplier (a CPP Subsidiary)
(ii) Shanghai Lotus as purchaser
- Subject: Chicken and processed meat
- Term: With effect from 1st January, 2005 to 31st December, 2007
- Price: To be determined by reference to the prevailing market price and demand of chicken and processed meat in the PRC and the costs of purchase by Chia Tai Food, and no less favourable to this CPP Subsidiary than those available from independent third parties
- Payment terms: Credit terms of up to 60 days. Payment for the purchases shall be made by telegraphic transfer, bank-issued bills payable within three months or other payment methods acceptable in the PRC.

The annual value of the purchases of chicken and processed meat by Shanghai Lotus from Chia Tai Food for the financial years ending 31st December, 2005, 31st December, 2006 and 31st December, 2007 will not exceed HK\$25,000,000, HK\$27,500,000 and HK\$30,250,000 respectively. The caps have been determined by reference to (i) the aggregate value of chicken and processed meat of approximately HK\$8,326,000 purchased by Shanghai Lotus from Chia Tai Food in 2004; (ii) the indication of the likely purchase value by Shanghai Lotus; (iii) based on the increase in PRC's consumer price index of approximately 3.9% for 2004, the possible price

LETTER FROM THE BOARD

increases in line with consumer prices in the PRC generally; and (iv) the possibility of the revaluation of RMB in the coming years.

(4) Shanghai Lotus Duck and Processed Meat Purchase Agreement

Date: 15th February, 2005

Parties: (i) Xianghe Chia Tai as supplier (a CPP Subsidiary)
(ii) Shanghai Lotus as purchaser

Subject: Duck and processed meat

Term: With effect from 1st January, 2005 to 31st December, 2007

Price: To be determined by reference to the prevailing market price and demand of duck and processed meat in the PRC and the production costs of Xianghe Chia Tai, and no less favourable to this CPP Subsidiary than those available from independent third parties

Payment terms: Credit terms of up to 60 days. Payment for the purchases shall be made by telegraphic transfer, bank-issued bills payable within three months or other payment methods acceptable in the PRC.

The annual value of the purchases of duck and processed meat by Shanghai Lotus from Xianghe Chia Tai for the financial years ending 31st December, 2005, 31st December, 2006 and 31st December, 2007 will not exceed HK\$2,000,000, HK\$2,200,000 and HK\$2,420,000 respectively. The caps have been determined by reference to (i) the indication of the likely purchase value by Shanghai Lotus; (ii) based on the increase in PRC's consumer price index of approximately 3.9% for 2004, the possible price increases in line with consumer prices in the PRC generally; and (iii) the possibility of the revaluation of RMB in the coming years.

REASONS FOR THE CONTINUING CONNECTED TRANSACTIONS

CPP and its subsidiaries are principally engaged in the trading of agricultural products, feedmill and poultry operations, the production and sale of motorcycles and accessories of automotives and property and investment holding. The CPP Subsidiaries are all engaged in the production of agricultural produce.

CTEI is an investment holding company whose subsidiaries are engaged in various business activities including, among other things, the operation of large scale cash-and-carry warehouse stores in the PRC; the provision of software solutions to the financial sectors in Thailand; and the investment in commercial properties in the PRC. The CTEI Supermarket Subsidiaries operate large scale cash-and-carry warehouse stores in different localities in the PRC.

Shanghai Lotus is principally engaged in the operation of large scale cash-and-carry warehouse stores in Shanghai and other localities.

LETTER FROM THE BOARD

The Directors are of the view that the supply of the relevant merchandise to the CTEI Subsidiaries and Shanghai Lotus under the CTEI Continuing Connected Transaction Agreements and Shanghai Lotus Continuing Connected Transaction Agreements is an invaluable opportunity which enables the CPP Subsidiaries to secure major, substantial customers which have extensive experience and retail network in the PRC for its merchandise.

The Directors (including the independent non-executive Directors after taking into account the advice from Kingsway) consider that the Continuing Connected Transactions are carried out in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable and in the interest of CPP and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Four members of the Chearavanont family, namely, Mr. Jaran Chiaravanont, Mr. Montri Jiaravanont, Mr. Dhanin Chearavanont and Mr. Sumet Jiaravanon (the “Chearavanont Shareholders”) (all of whom are directors of CPP), on an aggregate basis, through CPI Holding Co., Ltd., are interested in approximately 49.42% of the issued share capital of CPP.

Mr. Dhanin Chearavanont, including through Ramon Limited, a company in which he has a 50.86% shareholding interest, is interested in approximately 57.27% in aggregate of the issued share capital of CTEI. Accordingly, the CTEI Supermarket Subsidiaries, which are subsidiaries of CTEI, are associates of the controlling shareholders of the CPP and therefore are connected persons of CPP as defined under Rule 14A.11 of the Listing Rules.

Mr. Dhanin Chearavanont and his associates are indirectly interested in an aggregate of 46.6% of the issued share capital of C.P. Seven Eleven, and Shanghai Lotus has become a subsidiary of C.P. Seven Eleven in January 2005. Shanghai Lotus is accordingly an associate of Mr. Dhanin Chearavanont and therefore is a connected person of CPP as defined under Rule 14A.11 of the Listing Rules.

In view of the above, transactions under the CTEI Continuing Connected Transactions and Shanghai Lotus Continuing Connected Transactions constitute continuing connected transactions under the Listing Rules.

Taking into account the aggregate number of CTEI Continuing Connected Transactions and Shanghai Lotus Continuing Connected Transactions being entered into by the respective CPP Subsidiaries, the aggregate annual caps of the CTEI Continuing Connected Transactions and the aggregate annual caps of the Shanghai Lotus Continuing Connected Transactions, CPP will have each of the Continuing Connected Transactions and the related caps be subject to Independent Shareholders’ approval by poll at the Special General Meeting and be the subject of advice from the Independent Board Committee and the fairness opinion of Kingsway.

SPECIAL GENERAL MEETING AND PROXY ARRANGEMENT

A notice convening the Special General Meeting is set out on pages 35 to 43 of this circular. The Special General Meeting is being convened for the purpose of considering and, if thought fit, passing ordinary resolutions to approve the Continuing Connected Transactions and related caps. The Chearavanont Shareholders and their respective associates (including CPI Holding Co., Ltd.) will abstain from voting at the Special General Meeting.

LETTER FROM THE BOARD

A form of proxy for use at the Special General Meeting is enclosed. Whether or not you are able to attend the Special General Meeting, you are requested to complete and return the form of proxy to CPP's Registrar in Hong Kong at Computershare Hong Kong Investor Services Limited, at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for the holding of the Special General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending the Special General Meeting and voting in person should you so wish.

Pursuant to the existing Bye-law 59 of CPP, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (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 present in person or by proxy and entitled to vote; or (iii) by any Shareholder or Shareholders present in person or by proxy and representing in aggregate not less than one-tenth of the total voting rights of all Shareholders having the right to attend and vote at the meeting; or (iv) by a Shareholder or Shareholders present in person 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.

RECOMMENDATION

The Independent Board Committee has been established to consider whether the terms and the caps of the Continuing Connected Transactions are fair and reasonable so far as 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 22 to 28 of this circular and the text of the letter from the Independent Board Committee to the Independent Shareholders is set out on page 21.

The Independent Board Committee, having taken into account the opinion of Kingsway, considers the terms and the caps of the Continuing Connected Transactions to be fair and reasonable and is in the interest of CPP and the Shareholders as a whole and accordingly, recommends the Independent Shareholders to vote in favour of the ordinary relevant resolutions to be proposed at the Special General Meeting.

FURTHER INFORMATION

Your attention is drawn to the information set out in the appendix of this circular.

Yours faithfully,
By Order of the Board
Dhanin Chearavanont
Chairman and Chief Executive Officer

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



C.P. POKPHAND CO. LTD.

(Incorporated in Bermuda with limited liability)

(Stock Code: 43)

29th March, 2005

To the Independent Shareholders

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular dated 29th March, 2005 issued to the Shareholders (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 Continuing Connected Transactions and not having any interest in the transactions contemplated under the Continuing Connected Transactions, we have been appointed by the Board to advise you as to whether, in our opinion, the terms and the related caps of the Continuing Connected Transactions are fair and reasonable so far as the Independent Shareholders as a whole are concerned.

Kingsway has been appointed by CPP as the independent financial adviser to advise us regarding the fairness and reasonableness of the terms and the related caps of the Continuing Connected Transactions. Details of its advice, together with the principal factors and reasons taken into consideration in arriving at such opinion, are set out on pages 22 to 28 of the Circular. Your attention is also drawn to the letter from the Board set out on pages 7 to 20 of the Circular and the additional information set out in the appendix 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 terms and the related caps of the Continuing Connected Transactions are fair and reasonable so far as the Independent Shareholders are concerned and are in the interest of CPP and its Shareholders. We therefore recommend the Independent Shareholders to vote in favour of the resolutions in relation to the Continuing Connected Transactions and the related caps to be proposed at the Special General Meeting.

Yours faithfully,

For and on behalf of

the Independent Board Committee

Budiman Elkana

*Independent Non-executive
Director*

Cheung Koon Yuet, Peter

*Independent Non-executive
Director*

LETTER FROM KINGSWAY

The following is the full text of the letter of advice to the Independent Board Committee and the Independent Shareholders from Kingsway Capital Limited dated 29th March, 2005 prepared for incorporation in this circular.

Kingsway Group



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

29th March, 2005

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

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Continuing Connected Transactions, details of which are set out in the "Letter from the Board" contained in the circular issued by the Company to the Shareholders dated 29th March, 2005 (the "Circular") of which this letter forms part. Capitalized terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

Four members of the Chearavanont family, namely, Mr. Jaran Chiaravanont, Mr. Montri Jiaravanont, Mr. Dhanin Chearavanont and Mr. Sumet Jiaravanon (the "Chearavanont Shareholders") (all of whom are Directors), on an aggregate basis, through CPI Holding Co., Ltd., are interested in approximately 49.42% of the issued share capital of CPP.

Mr. Dhanin Chearavanont, including through Ramon Limited, a company in which he has a 50.86% shareholding interest, is interested in approximately 57.27% in aggregate of the issued share capital of CTEI. Accordingly, the CTEI Supermarket Subsidiaries, which are subsidiaries of CTEI, are associates of the controlling shareholders of CPP and therefore are connected persons of CPP as defined under Rule 14A.11 of the Listing Rules.

Mr. Dhanin Chearavanont and his associates are indirectly interested in an aggregate of 46.6% of the issued share capital of C.P. Seven Eleven, and Shanghai Lotus has become a subsidiary of C.P. Seven Eleven in January, 2005, Shanghai Lotus is accordingly an associate of Mr. Dhanin Chearavanont and therefore is a connected person of CPP as defined under Rule 14A.11 of the Listing Rules.

LETTER FROM KINGSWAY

In view of the above, transactions contemplated under the CTEI Continuing Connected Transactions and the Shanghai Lotus Continuing Connected Transactions constitute continuing connected transactions under the Listing Rules. Each of the Continuing Connected Transactions and the related caps are subject to Independent Shareholders approval at the Special General Meeting. The Chearavanont Shareholders and their respective associates (including CPI Holding Co., Ltd.) will abstain from voting at the Special General Meeting.

The Independent Board Committee, comprising Mr. Budiman Elkana and Mr. Cheung Koon Yuet, Peter, both being independent non-executive Directors, has been formed to advise the Independent Shareholders as to whether the terms of the Continuing Connected Transactions are fair and reasonable so far as the Independent Shareholders are concerned. Kingsway Capital has 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 Continuing Connected Transactions, 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 Group, CTEI and Shanghai Lotus.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the Continuing Connected Transactions, we have considered the principal factors and reasons set out below:

(i) Background to and reasons for the Continuing Connected Transactions

The Company and its subsidiaries are principally engaged in the trading of agricultural products, feedmill and poultry operations, the production and sale of motorcycles and accessories of automotives and property and investment holding. The CPP Subsidiaries are all engaged in the production of agricultural products.

LETTER FROM KINGSWAY

CTEI is an investment holding company whose subsidiaries are engaged in various business activities including, among other things, the operation of large scale cash-and-carry warehouse stores in the PRC; the provision of software solutions to the financial sectors in Thailand; and the investment in commercial properties in the PRC. The CTEI Supermarket Subsidiaries operate large scale cash-and-carry warehouse stores in different localities in the PRC.

Shanghai Lotus is principally engaged in the operation of large scale cash-and-carry warehouse stores in Shanghai and other localities.

The Directors consider that the Continuing Connected Transactions were entered into in the ordinary and usual course of business of the Group, and are of the view that the supply of the relevant merchandise to the CTEI Supermarket Subsidiaries and Shanghai Lotus under the CTEI Continuing Connected Transaction Agreements and the Shanghai Lotus Continuing Connected Transaction Agreements is an invaluable opportunity which enables the CPP Subsidiaries to secure major and substantial customers which have extensive experience and retail network in the PRC for its merchandise.

Having considered the above, we are of the view that the CTEI Continuing Connected Transaction Agreements and the Shanghai Lotus Continuing Connected Transaction Agreements were entered into in the ordinary and usual course of business of the Group. Given that the entering into the CTEI Continuing Connected Transaction Agreements and the Shanghai Lotus Continuing Connected Transaction Agreements provides the CPP Subsidiaries an opportunity to broaden its revenue, we consider that the entering into the CTEI Continuing Connected Transaction Agreements and the Shanghai Lotus Continuing Connected Transaction Agreements are in the commercial interest of the Company and the Shareholders as a whole.

(ii) Terms of the Continuing Connected Transactions

As set out in the sections headed “CTEI Continuing Connected Transaction Agreements” and “Shanghai Lotus Continuing Connected Transaction Agreements” respectively of the “Letter from the Board”, the price of the merchandises to be supplied under the CTEI Continuing Connected Transaction Agreements and/or the Shanghai Lotus Continuing Connected Transaction Agreements are (i) to be determined by reference to the prevailing market price and demand of the relevant merchandise in the PRC and the production costs of the relevant CPP Subsidiary (being the supplier of the relevant merchandise); and (ii) no less favourable to the relevant CPP Subsidiary than those available from independent third parties.

The Directors consider that the terms of the respective CTEI Continuing Connected Transaction Agreements and Shanghai Lotus Continuing Connected Transaction Agreements are on normal commercial terms.

LETTER FROM KINGSWAY

We have reviewed samples of contracts of similar transactions recently entered into between the CPP Subsidiaries and other independent third parties and noted that the price of the merchandises which the CPP Subsidiaries supplied to other independent third parties are also to be determined by reference to the prevailing market price when the actual orders are placed. We also noted that the credit terms offered by the CPP Subsidiaries to other independent third parties were not clearly stated in the sample contracts that we reviewed. Although it is stated in the CTEI Continuing Connected Transaction Agreements and the Shanghai Lotus Continuing Connected Transaction Agreements that the credit terms are in the range of 7 days to 60 days, we were advised by the Directors that such range is to provide flexibility to the Company in view of possible changes in credit terms offered to their customers in future. The Directors also confirmed that the actual credit terms to be offered to the CTEI Supermarket Subsidiaries and Shanghai Lotus are to be determined by reference to the credit terms to be offered to other independent third parties at the time the relevant orders are placed.

Although the price of the relevant merchandises are yet to be determined, we were advised by the Directors that the CPP Subsidiaries are not obliged to supply the respective merchandise to the relevant purchaser in the event that the price of the merchandise to be supplied to the relevant purchaser cannot be agreed by the parties to the CTEI Continuing Connected Transaction Agreements and/or the Shanghai Lotus Continuing Connected Transaction Agreements at the time orders are placed.

In this regard, and in particular, the price of the merchandises to be supplied under the CTEI Continuing Connected Transaction Agreements and/or the Shanghai Lotus Continuing Connected Transaction Agreements are to be determined by reference to the prevailing market price and demand of the relevant merchandise in the PRC and the production costs of the relevant CPP Subsidiaries (being the supplier of the relevant merchandise), we are of the view that the terms of the respective CTEI Continuing Connected Transaction Agreements and Shanghai Lotus Continuing Connected Transaction Agreements are fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM KINGSWAY

(iii) The annual caps

Set out below are the actual transaction value for the year ended 31st December, 2004 and the respective annual caps for each of the Continuing Connected Transactions for the financial years ending 31st December, 2005, 2006 and 2007:

For the Continuing Connected Transactions contemplated under the CTEI Continuing Connected Transaction Agreements	Actual		Annual cap		
	transaction value		for the financial year		
	for the financial	year ended 31st	for the financial year		
	December,	2004	2005	2006	2007
	2004	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Ningbo Oil Edible Oil Supply (1) Agreement	–	8,000,000	8,800,000	9,680,000	
Ningbo Oil Edible Oil Supply (2) Agreement	–	8,000,000	8,800,000	9,680,000	
Qingdao Chia Tai Chicken and Processed Meat Supply (1) Agreement	728,000	8,000,000	8,800,000	9,680,000	
Qingdao Chia Tai Chicken and Processed Meat Supply (2) Agreement	–	3,000,000	3,300,000	3,630,000	
Qingdao Chia Tai Chicken and Processed Meat Supply (3) Agreement	–	3,000,000	3,300,000	3,630,000	
Xianghe Chia Tai Duck and Processed Meat Supply (1) Agreement	841,000	6,000,000	6,600,000	7,260,000	
Xianghe Chia Tai Duck and Processed Meat Supply (2) Agreement	139,000	3,000,000	3,300,000	3,630,000	
Shannxi Chia Tai Eggs, Chicken and Processed Meat Supply (1) Agreement	489,000	4,000,000	4,400,000	4,840,000	
Shannxi Chia Tai Eggs, Chicken and Processed Meat Supply (2) Agreement	–	4,000,000	4,400,000	4,840,000	
For the Continuing Connected Transactions contemplated under the Shanghai Lotus Continuing Connected Transaction Agreements	Actual		Annual cap		
	transaction value		for the financial year		
	for the financial	year ended 31st	for the financial year		
	December	2004	2005	2006	2007
	2004	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Shanghai Lotus Edible Oil Purchase Agreement	99,270,000	180,000,000	198,000,000	217,800,000	
Shanghai Lotus Chicken and Processed Meat Purchase (1) Agreement	59,470,000	140,000,000	154,000,000	169,400,000	
Shanghai Lotus Chicken and Processed Meat Purchase (2) Agreement	8,326,000	25,000,000	27,500,000	30,250,000	
Shanghai Lotus Duck and Processed Meat Purchase Agreement	–	2,000,000	2,200,000	2,420,000	

LETTER FROM KINGSWAY

As stated in the “Letter from the Board”, the respective caps for the Continuing Connected Transactions were determined by reference to (i) the indication of the likely purchase value by the respective purchaser; (ii) the increase in the PRC’s consumer price index of approximately 3.9% for 2004 and the possible price increases in line with the consumer prices in the PRC generally; (iii) the possibility of the revaluation of RMB in the coming years; and (iv) the aggregate value of the respective merchandise supplied to the relevant purchaser in 2004 (as set out in the table above).

We noted that some of the CPP Subsidiaries have not been supplying the relevant merchandise to the relevant purchaser previously and hence, no historical purchase value is available for reference. We also noted that for those Continuing Connected Transactions which have been conducted by the Company previously, the actual transaction value in 2004 are substantially below the respective cap amount. Based on our discussions with the Directors, we understand that the respective annual cap for the financial year ending 2005 was determined mainly by reference to the indication of the likely purchase value by the respective purchaser. Further, we were advised by the Directors that the respective purchaser, in arriving at the likely purchase value of the relevant merchandise, has made reference to (i) the aggregate purchase value of the relevant purchaser in 2004 (including the merchandises purchased from the CPP Subsidiaries and those purchased from other third parties); (ii) the expected expansion of their retail networks; (iii) the anticipated growth in their business; and (iv) the possible shift of their purchases from other suppliers to the relevant CPP Subsidiaries. The Directors consider that it is essential to obtain a sufficiently large cap for each of the Continuing Connected Transactions for the financial year ending 31st December, 2005 in order to meet the demand when opportunities arise.

Taking into consideration (i) the continuously growing economy and improving living standards in the PRC; (ii) the intention of CTEI to expand the CTEI Supermarket Subsidiaries’ retail network in the PRC; (iii) the likely purchase value of the respective merchandise as indicated by the relevant purchaser; and (iv) the expansion plan and/or anticipated growth of CTEI and/or Shanghai Lotus as advised by the Directors, we are of the view that a sufficiently large cap for each of the Continuing Connected Transactions for the financial year ending 31st December, 2005 would provide flexibility to the Company to meet the demand when opportunities arise.

We noted the respective annual cap for each of the Continuing Connected Transactions for the financial years ending 2006 and 2007 represents a 10% increase over the relevant annual cap of the previous year. As advised by the Directors, the prices of the relevant merchandises have been fluctuated in the past few years and it is possible that the price of such merchandises will increase in the coming years. Given (i) the possibilities of price increase of the relevant merchandises to be supplied pursuant to the CTEI Continuing Connected Transaction Agreements and/or the Shanghai Lotus Continuing Connected Transaction Agreements; and (ii) the magnitude of such possible price increase is unpredictable, we are of the view that using the increase in the PRC’s consumer price index as a benchmark and assuming that the prices of the relevant merchandises to increase in line with the general consumer price in the PRC is justifiable. In addition, the issue regarding the valuation of RMB has been widely discussed recently, and it is uncertain whether there will be any revaluation of the RMB in the coming years.

LETTER FROM KINGSWAY

In view of the possible price increase of the relevant merchandise and the possibility of a revaluation in RMB in the coming years, we consider that a 10% increase in the respective cap for the financial years ending 31st December, 2006 and 2007 over the relevant cap of the previous year which provides flexibility to the CPP Subsidiaries for possible increase in the respective purchase value is justifiable.

Taking into account the above factors and our discussions with the Directors, we are of the view that the basis of determining the respective annual caps for each of the Continuing Connected Transactions are fair and reasonable so far as the Company and the Shareholders are concerned.

RECOMMENDATION

Having considered the above principal factors and reasons, we are of the view that the terms of the Continuing Connected Transactions, including the respective annual caps, are fair and reasonable so far as the Shareholders are concerned and are 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 ordinary resolutions to be proposed at the Special General Meeting to approve the Continuing Connected Transactions and the respective annual caps.

Your faithfully
For and on behalf of
Kingsway Capital Limited
John Tran
Co-head and Managing Director,
Investment Banking

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to CPP. 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.

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 CPP in shares, underlying shares or debentures of CPP or any associated corporation (within the meaning of Part XV of the SFO) as are required to be notified to CPP 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 CPP under Section 352 of the SFO or as otherwise notified to CPP and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

(i) Long position in shares or underlying shares of CPP

Name of Director	Capacity/Nature of Interest		Total number of Shares in CPP	Approximate percentage of issued share capital of CPP
	Beneficial Owner	Interest of Controlled Corporations		
Mr. Jaran Chiaravanont	843,750	–	843,750	0.04
Mr. Sumet Jiaravanon	1,004,014,695	–	1,004,014,695	46.51

Long position in shares of an associated corporation

Name of Director	Name of associated corporation in which notifiable interest is held	Number of Shares held
Mr. Thanakorn Seriburi	Chia Tai Quanzhou Company Limited	20,000

(ii) Directors' interests in share options granted by CPP

Pursuant to the old share option scheme (the "Old Scheme") adopted on 10th April, 1992 which expired on 10th April, 2002 and the existing share option scheme (the "Existing Scheme") adopted by CPP on 26th November, 2002, certain Directors were granted share options. As at

the Latest Practicable Date, the interests of the Directors of CPP in options to subscribe for shares in the capital of CPP under the Old Scheme and the Existing 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 <i>HK\$</i>
Mr. Dhanin Chearavanont	26th February, 2003	12,800,000	0.39
	3rd May, 2004	12,800,000	0.39
Mr. Sumet Jiaravanon	26th February, 2003	12,800,000	0.39
	3rd May, 2004	12,800,000	0.39
Mr. Prasert Poongkumarn	26th February, 2003	21,584,807	0.39
	3rd May, 2004	20,000,000	0.39
Mr. Min Tieworn	26th February, 2003	21,584,807	0.39
	3rd May, 2004	20,000,000	0.39
Mr. Thirayut Phitya-Isarakul	10th August, 1998	25,000,000	0.3875
	26th February, 2003	21,584,807	0.39
	3rd May, 2004	20,000,000	0.39
Mr. Thanakorn Seriburi	10th August, 1998	17,500,000	0.3875
	26th February, 2003	21,584,807	0.39
	3rd May, 2004	20,000,000	0.39
Mr. Veeravat Kanchanadul	26th February, 2003	21,584,807	0.39
	3rd May, 2004	20,000,000	0.39

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of CPP had any interest or short position in shares, underlying shares or debentures of CPP or any associated corporation (within the meaning of Part XV of the SFO) as are required to be notified to CPP 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 CPP under Section 352 of the SFO or as otherwise notified to CPP and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

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

As at the Latest Practicable Date, the following persons (other than a Director or chief executive of CPP) had the following interests or short positions in shares or underlying shares of CPP which would fall to be disclosed to CPP 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	Capacity/ Nature of Interest	Notes	Number of shares of CPP Note 1	Approximate percentage of issued share capital
Krung Thai Bank Public Company Limited	Person having a security interest in shares	2	1,004,014,695 (L)	46.51
CPI Holding Co., Ltd.	Beneficial owner	3	1,066,662,834 (L) 1,004,014,695 (S)	49.42 46.51
C.P. Intertrade Co., Ltd.	Interest of a controlled corporation	3	1,066,662,834 (L) 1,004,014,695 (S)	49.42 46.51
Worth Access Trading Limited	Beneficial owner	4	1,309,190,000 (L)	37.75
Charoen Pokphand Group Company Limited	Interest of a controlled corporation	4	1,309,190,000 (L)	37.75
Charoen Pokphand Holding Company Limited	Interest of a controlled corporation	4	1,309,190,000 (L)	37.75

Notes:

1. The letter "L" denotes a long position whilst the letter "S" denotes a short position.
2. 1,004,014,695 shares were held by Krung Thai Bank Public Company Limited as security.
3. CPI Holding Co., Ltd. beneficially owned 1,066,662,834 shares. It also has a short position in 1,004,014,695 shares. C.P. Intertrade Co., Ltd. has declared an interest in these shares by virtue of its shareholding in CPI Holding Co., Ltd.
4. Worth Access Trading Limited has a long position in 1,309,190,000 shares. Charoen Pokphand Holding Company Limited has declared an interest in these same 1,309,190,000 shares by virtue of its shareholding in Worth Access Trading Limited whilst Charoen Pokphand Group Company Limited 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 CPP) had an interest or a short position in shares or underlying shares of CPP which would fall to be disclosed to CPP 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.

COMPETING INTERESTS

As at the Latest Practicable Date, the Directors were not aware that any of the Directors 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.

LITIGATION

Neither CPP nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and there is no litigation or claim of material importance known to the directors of CPP to be pending or threatened by or against CPP or any of its subsidiaries.

MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading positions of the Group since 31st December, 2003 (the date to which the latest published audited consolidated accounts of the Group were made up).

CONSENT

Kingsway has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and the references to its name included herein in the form and context in which they are respectively included.

GENERAL

- (a) No existing or proposed service contracts have been entered into between any of the Directors and the Proposed Directors and any member of the Group, other than contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).
- (b) No Director is materially interested in any contract or arrangement subsisting at the date hereof which is significant to the business of the Group taken as a whole.
- (c) Save for (i) certain Directors who had indirect interests in the parent company of C.P. Aquaculture (Hainan) Co., Ltd. to which the Group in August, 2003 leased certain production facilities located in Hainan Province, the PRC for a term of five years (being the subject of an announcement issued by CPP on 12th August, 2003); and (ii) an executive Director's interests in the disposals of shares in companies listed on the Jakarta Stock Exchange (being the subject of an announcement issued by CPP on 26th March, 2004), since 31st December, 2003, the date to which the latest published audited consolidated accounts of the Group have been made up, none of Kingsway or any of the Directors has, or has had, any direct or indirect interest in any assets which have been acquired or disposed of by or leased to or which are proposed to be acquired, disposed of by or leased to, any member of the Group.

- (d) As at the Latest Practicable Date, Kingsway was not interested beneficially or non-beneficially in any shares in CPP or any of its subsidiaries or any rights or option to subscribe for or nominate persons to subscribe for any shares in CPP or any of its subsidiaries.
- (e) The secretary of CPP is Ms. Choi Yi Mei. She is an associate member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Company Secretaries.
- (f) The qualified accountant of the Group is Mr. Cheung Shek Lun, who is an associate member of the Hong Kong Institute of Certified Public Accountants.
- (g) The branch share registrars of CPP in Hong Kong is Computershare Hong Kong Investor Services Limited, at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (h) The English text of this circular shall prevail over the Chinese text.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal place of business in Hong Kong of CPP at 21st Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong up to and including Thursday, 21st April, 2005:

- (1) Ningbo Oil Edible Oil Supply (1) Agreement;
- (2) Ningbo Oil Edible Oil Supply (2) Agreement;
- (3) Qingdao Chia Tai Chicken and Processed Meat Supply (1) Agreement;
- (4) Qingdao Chia Tai Chicken and Processed Meat Supply (2) Agreement;
- (5) Qingdao Chia Tai Chicken and Processed Meat Supply (3) Agreement;
- (6) Xianghe Chia Tai Duck and Processed Meat Supply (1) Agreement;
- (7) Xianghe Chia Tai Duck and Processed Meat Supply (2) Agreement;
- (8) Shaanxi Chia Tai Eggs, Chicken and Processed Meat Supply (1) Agreement;
- (9) Shaanxi Chia Tai Eggs, Chicken and Processed Meat Supply (2) Agreement;
- (10) Shanghai Lotus Edible Oil Purchase Agreement;
- (11) Shanghai Lotus Chicken and Processed Meat Purchase (1) Agreement;

- (12) Shanghai Lotus Chicken and Processed Meat Purchase (2) Agreement;
- (13) Shanghai Lotus Duck and Processed Meat Purchase Agreement;
- (14) the letter from Kingsway, the text of which is set out in this circular; and
- (15) the written consent from Kingsway referred to in paragraph headed “Consent” in this Appendix.

NOTICE OF SPECIAL GENERAL MEETING



卜蜂國際有限公司 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. will be held at 21st Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong on Thursday, 21st April, 2005 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:-

ORDINARY RESOLUTIONS

1. **“THAT:**

- (a) the agreement (the “Ningbo Oil Edible Oil Supply (1) Agreement”) dated 15th February, 2005 entered into between 寧波正大糧油實業有限公司 (Ningbo Chia Tai Cereal and Oil Industrial Co., Ltd.) (“Ningbo Oil”) and 西安易初蓮花連鎖超市有限公司 (Xian Lotus Supermarket Chain Store Co., Ltd.) (“Xian Lotus”), a copy of which is tabled at the meeting and marked “A” and initialed by the chairman of the meeting for identification purpose, in relation to the supply of edible oil by Ningbo Oil to Xian Lotus on an ongoing basis and the terms of and the transactions contemplated under the Ningbo Oil Edible Oil Supply (1) Agreement and the implementation thereof be and are hereby approved, ratified and confirmed;
- (b) the proposed caps in relation to the transactions under the Ningbo Oil Edible Oil Supply (1) Agreement for each of the three years ending 31st December, 2005, 2006 and 2007 being HK\$8,000,000, HK\$8,800,000 and HK\$9,680,000 be and are hereby approved; and
- (c) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company and/or its subsidiaries to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/them to be incidental to, ancillary to or in connection with the matters contemplated in the Ningbo Oil Edible Oil Supply (1) Agreement.”

2. **“THAT:**

- (a) the agreement (the “Ningbo Oil Edible Oil Supply (2) Agreement”) dated 15th February, 2005 entered into between 寧波正大糧油實業有限公司 (Ningbo Chia Tai Cereal and Oil Industrial Co., Ltd.) (“Ningbo Oil”) and 鄭州易初蓮花連鎖

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超市有限公司 (Zhengzhou Lotus Supermarket Chain Store Co., Ltd.) (“Zhengzhou Lotus”), a copy of which is tabled at the meeting and marked “B” and initialed by the chairman of the meeting for identification purpose, in relation to the supply of edible oil by Ningbo Oil to Zhengzhou Lotus on an ongoing basis and the terms of and the transactions contemplated under the Ningbo Oil Edible Oil Supply (2) Agreement and the implementation thereof be and are hereby approved, ratified and confirmed;

- (b) the proposed caps in relation to the transactions under the Ningbo Oil Edible Oil Supply (2) Agreement for each of the three years ending 31st December, 2005, 2006 and 2007 being HK\$8,000,000, HK\$8,800,000 and HK\$9,680,000 be and are hereby approved; and
- (c) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company and/or its subsidiaries to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/them to be incidental to, ancillary to or in connection with the matters contemplated in the Ningbo Oil Edible Oil Supply (2) Agreement.”

3. “**THAT:**

- (a) the agreement (the “Qingdao Chia Tai Chicken and Processed Meat Supply (1) Agreement”) dated 15th February, 2005 entered into between 青島正大有限公司 (Qingdao Chia Tai Company Limited) (“Qingdao Chia Tai”) and 泰安易初蓮花連鎖超市有限公司 (Taian Lotus Supermarket Chain Store Co., Ltd.) (“Taian Lotus”), a copy of which is tabled at the meeting and marked “C” and initialed by the chairman of the meeting for identification purpose, in relation to the supply of chicken and processed meat by Qingdao Chia Tai to Taian Lotus on an ongoing basis and the terms of and the transactions contemplated under the Qingdao Chia Tai Chicken and Processed Meat Supply (1) Agreement and the implementation thereof be and are hereby approved, ratified and confirmed;
- (b) the proposed caps in relation to the transactions under the Qingdao Chia Tai Chicken and Processed Meat Supply (1) Agreement for each of the three years ending 31st December, 2005, 2006 and 2007 being HK\$8,000,000, HK\$8,800,000 and HK\$9,680,000 be and are hereby approved; and
- (c) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company and/or its subsidiaries to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/them to be incidental to, ancillary to or in connection with the matters contemplated in the Qingdao Chia Tai Chicken and Processed Meat Supply (1) Agreement.”

NOTICE OF SPECIAL GENERAL MEETING

4. **“THAT:**

- (a) the agreement (the “Qingdao Chia Tai Chicken and Processed Meat Supply (2) Agreement”) dated 15th February, 2005 entered into between 青島正大有限公司 (Qingdao Chia Tai Company Limited) (“Qingdao Chia Tai”) and 鄭州易初蓮花連鎖超市有限公司 (Zhengzhou Lotus Supermarket Chain Store Co., Ltd.) (“Zhengzhou Lotus”), a copy of which is tabled at the meeting and marked “D” and initialed by the chairman of the meeting for identification purpose, in relation to the supply of chicken and processed meat by Qingdao Chia Tai to Zhengzhou Lotus on an ongoing basis and the terms of and the transactions contemplated under the Qingdao Chia Tai Chicken and Processed Meat Supply (2) Agreement and the implementation thereof be and are hereby approved, ratified and confirmed;
- (b) the proposed caps in relation to the transactions under the Qingdao Chia Tai Chicken and Processed Meat Supply (2) Agreement for each of the three years ending 31st December, 2005, 2006 and 2007 being HK\$3,000,000, HK\$3,300,000 and HK\$3,630,000 be and are hereby approved; and
- (c) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company and/or its subsidiaries to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/them to be incidental to, ancillary to or in connection with the matters contemplated in the Qingdao Chia Tai Chicken and Processed Meat Supply (2) Agreement.”

5. **“THAT:**

- (a) the agreement (the “Qingdao Chia Tai Chicken and Processed Meat Supply (3) Agreement”) dated 15th February, 2005 entered into between 青島正大有限公司 (Qingdao Chia Tai Company Limited) (“Qingdao Chia Tai”) and 濟南易初蓮花連鎖超市有限公司 (Jinan Lotus Supermarket Chain Store Co., Ltd.) (“Jinan Lotus”), a copy of which is tabled at the meeting and marked “E” and initialed by the chairman of the meeting for identification purpose, in relation to the supply of chicken and processed meat by Qingdao Chia Tai to Jinan Lotus on an ongoing basis and the terms of and the transactions contemplated under the Qingdao Chia Tai Chicken and Processed Meat Supply (3) Agreement and the implementation thereof be and are hereby approved, ratified and confirmed;
- (b) the proposed caps in relation to the transactions under the Qingdao Chia Tai Chicken and Processed Meat Supply (3) Agreement for each of the three years ending 31st December, 2005, 2006 and 2007 being HK\$3,000,000, HK\$3,300,000 and HK\$3,630,000 be and are hereby approved; and

NOTICE OF SPECIAL GENERAL MEETING

- (c) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company and/or its subsidiaries to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/them to be incidental to, ancillary to or in connection with the matters contemplated in the Qingdao Chia Tai Chicken and Processed Meat Supply (3) Agreement.”

6. **“THAT:**

- (a) the agreement (the “Xianghe Chia Tai Duck and Processed Meat Supply (1) Agreement”) dated 15th February, 2005 entered into between 香河正大有限公司 (Xianghe Chia Tai Co., Ltd.) (“Xianghe Chia Tai”) and 北京易初蓮花連鎖超市有限公司 (Beijing Lotus Supermarket Chain Store Co., Ltd.) (“Beijing Lotus”), a copy of which is tabled at the meeting and marked “F” and initialed by the chairman of the meeting for identification purpose, in relation to the supply of duck and processed meat by Xianghe Chia Tai to Beijing Lotus on an ongoing basis and the terms of and the transactions contemplated under the Xianghe Chia Tai Duck and Processed Meat Supply (1) Agreement and the implementation thereof be and are hereby approved, ratified and confirmed;
- (b) the proposed caps in relation to the transactions under the Xianghe Chia Tai Duck and Processed Meat Supply (1) Agreement for each of the three years ending 31st December, 2005, 2006 and 2007 being HK\$6,000,000, HK\$6,600,000 and HK\$7,260,000 be and are hereby approved; and
- (c) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company and/or its subsidiaries to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/them to be incidental to, ancillary to or in connection with the matters contemplated in the Xianghe Chia Tai Duck and Processed Meat Supply (1) Agreement.”

7. **“THAT:**

- (a) the agreement (the “Xianghe Chia Tai Duck and Processed Meat Supply (2) Agreement”) dated 15th February, 2005 entered into between 香河正大有限公司 (Xianghe Chia Tai Co., Ltd.) (“Xianghe Chia Tai”) and 天津易初蓮花連鎖超市有限公司 (Tianjin Lotus Supermarket Chain Store Co., Ltd.) (“Tianjin Lotus”), a copy of which is tabled at the meeting and marked “G” and initialed by the chairman of the meeting for identification purpose, in relation to the supply of duck and processed meat by Xianghe Chia Tai to Tianjin Lotus on an ongoing basis and the terms of and the transactions contemplated under the Xianghe Chia Tai Duck and Processed Meat Supply (2) Agreement and the implementation thereof be and are hereby approved, ratified and confirmed;

NOTICE OF SPECIAL GENERAL MEETING

- (b) the proposed caps in relation to the transactions under the Xianghe Chia Tai Duck and Processed Meat Supply (2) Agreement for each of the three years ending 31st December, 2005, 2006 and 2007 being HK\$3,000,000, HK\$3,300,000 and HK\$3,630,000 be and are hereby approved; and
- (c) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company and/or its subsidiaries to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/them to be incidental to, ancillary to or in connection with the matters contemplated in the Xianghe Chia Tai Duck and Processed Meat Supply (2) Agreement.”

8. **“THAT:**

- (a) the agreement (the “Shaanxi Chia Tai Eggs, Chicken and Processed Meat Supply (1) Agreement”) dated 15th February, 2005 entered into between 陝西正大有限公司 (Shaanxi Chia Tai Company Limited) (“Shaanxi Chia Tai”) and 西安易初蓮花連鎖超市有限公司 (Xian Lotus Supermarket Chain Store Co., Ltd.) (“Xian Lotus”), a copy of which is tabled at the meeting and marked “H” and initialed by the chairman of the meeting for identification purpose, in relation to the supply of eggs, chicken and processed meat by Shaanxi Chia Tai to Xian Lotus on an ongoing basis and the terms of and the transactions contemplated under the Shaanxi Chia Tai Eggs, Chicken and Processed Meat Supply (1) Agreement and the implementation thereof be and are hereby approved, ratified and confirmed;
- (b) the proposed caps in relation to the transactions under the Shaanxi Chia Tai Eggs, Chicken and Processed Meat Supply (1) Agreement for each of the three years ending 31st December 2005, 2006 and 2007 being HK\$4,000,000, HK\$4,400,000 and HK\$4,840,000 be and are hereby approved; and
- (c) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company and/or its subsidiaries to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/them to be incidental to, ancillary to or in connection with the matters contemplated in the Shaanxi Chia Tai Eggs, Chicken and Processed Meat Supply (1) Agreement.”

NOTICE OF SPECIAL GENERAL MEETING

9. **“THAT:**

- (a) the agreement (the “Shaanxi Chia Tai Eggs, Chicken and Processed Meat Supply (2) Agreement”) dated 15th February, 2005 entered into between 陝西正大有限公司 (Shaanxi Chia Tai Company Limited) (“Shaanxi Chia Tai”) and 鄭州易初蓮花連鎖超市有限公司 (Zhengzhou Lotus Supermarket Chain Store Co., Ltd.) (“Zhengzhou Lotus”), a copy of which is tabled at the meeting and marked “I” and initialed by the chairman of the meeting for identification purpose, in relation to the supply of eggs, chicken and processed meat by Shaanxi Chia Tai to Zhengzhou Lotus on an ongoing basis and the terms of and the transactions contemplated under the Shaanxi Chia Tai Eggs, Chicken and Processed Meat Supply (2) Agreement and the implementation thereof be and are hereby approved, ratified and confirmed;
- (b) the proposed caps in relation to the transactions under the Shaanxi Chia Tai Eggs, Chicken and Processed Meat Supply (2) Agreement for each of the three years ending 31st December, 2005, 2006 and 2007 being HK\$4,000,000, HK\$4,400,000 and HK\$4,840,000 be and are hereby approved; and
- (c) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company and/or its subsidiaries to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/them to be incidental to, ancillary to or in connection with the matters contemplated in the Shaanxi Chia Tai Eggs, Chicken and Processed Meat Supply (2) Agreement.”

10. **“THAT:**

- (a) the agreement (the “Shanghai Lotus Edible Oil Purchase Agreement”) dated 15th February, 2005 entered into between 寧波正大糧油實業有限公司 (Ningbo Chia Tai Cereal and Oil Industrial Co., Ltd.) (“Ningbo Chia Tai”) and 上海易初蓮花連鎖超市有限公司 (Shanghai Lotus Supermarket Chain Store Co., Ltd.) (“Shanghai Lotus”), a copy of which is tabled at the meeting and marked “J” and initialed by the chairman of the meeting for identification purpose, in relation to the purchase of edible oil by Shanghai Lotus from Ningbo Oil on an ongoing basis and the terms of and the transactions contemplated under the Shanghai Lotus Edible Oil Purchase Agreement and the implementation thereof be and are hereby approved, ratified and confirmed;
- (b) the proposed caps in relation to the transactions under the Shanghai Lotus Edible Oil Purchase Agreement for each of the three years ending 31st December, 2005, 2006 and 2007 being HK\$180,000,000, HK\$198,000,000 and HK\$217,800,000 be and are hereby approved; and

NOTICE OF SPECIAL GENERAL MEETING

- (c) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company and/or its subsidiaries to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/them to be incidental to, ancillary to or in connection with the matters contemplated in the Shanghai Lotus Edible Oil Purchase Agreement.”

11. **“THAT:**

- (a) the agreement (the “Shanghai Lotus Chicken and Processed Meat Purchase (1) Agreement”) dated 15th February, 2005 entered into between 青島正大有限公司 (Qingdao Chia Tai Company Limited) (“Qingdao Chia Tai”) and 上海易初蓮花連鎖超市有限公司 (Shanghai Lotus Supermarket Chain Store Co., Ltd.) (“Shanghai Lotus”), a copy of which is tabled at the meeting and marked “K” and initialed by the chairman of the meeting for identification purpose, in relation to the purchase of chicken and processed meat by Shanghai Lotus from Qingdao Chia Tai on an ongoing basis and the terms of and the transactions contemplated under the Shanghai Lotus Chicken and Processed Meat Purchase (1) Agreement and the implementation thereof be and are hereby approved, ratified and confirmed;
- (b) the proposed caps in relation to the transactions under the Shanghai Lotus Chicken and Processed Meat Purchase (1) Agreement for each of the three years ending 31st December, 2005, 2006 and 2007 being HK\$140,000,000, HK\$154,000,000 and HK\$169,400,000 be and are hereby approved; and
- (c) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company and/or its subsidiaries to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/them to be incidental to, ancillary to or in connection with the matters contemplated in the Shanghai Lotus Chicken and Processed Meat Purchase (1) Agreement.”

12. **“THAT:**

- (a) the agreement (the “Shanghai Lotus Chicken and Processed Meat Purchase (2) Agreement”) dated 15th February, 2005 entered into between 正大食品企業(上海)有限公司 (Chia Tai Food Product (Shanghai) Co., Ltd.) (“Chia Tai Food”) and 上海易初蓮花連鎖超市有限公司 (Shanghai Lotus Supermarket Chain Store Co., Ltd.) (“Shanghai Lotus”), a copy of which is tabled at the meeting and marked “L” and initialed by the chairman of the meeting for identification purpose, in relation to the purchase of chicken and processed meat by Shanghai Lotus from Chia Tai Food on an ongoing basis and the terms of and the transactions contemplated under the Shanghai Lotus Chicken and Processed Meat Purchase (2) Agreement and the implementation thereof be and are hereby approved, ratified and confirmed;

NOTICE OF SPECIAL GENERAL MEETING

- (b) the proposed caps in relation to the transactions under the Shanghai Lotus Chicken and Processed Meat Purchase (2) Agreement for each of the three years ending 31st December, 2005, 2006 and 2007 being HK\$25,000,000, HK\$27,500,000 and HK\$30,250,000 be and are hereby approved; and
- (c) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company and/or its subsidiaries to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/them to be incidental to, ancillary to or in connection with the matters contemplated in the Shanghai Lotus Chicken and Processed Meat Purchase (2) Agreement.”

13. **“THAT:**

- (a) the agreement (the “Shanghai Lotus Duck and Processed Meat Purchase Agreement”) dated 15th February, 2005 entered into between 香河正大有限公司 (Xianghe Chia Tai Co., Ltd.) (“Xianghe Chia Tai”) and 上海易初蓮花連鎖超市有限公司 (Shanghai Lotus Supermarket Chain Store Co., Ltd.) (“Shanghai Lotus”), a copy of which is tabled at the meeting and marked “M” and initialed by the chairman of the meeting for identification purpose, in relation to the purchase of duck and processed meat by Shanghai Lotus from Xianghe Chia Tai on an ongoing basis and the terms of and the transactions contemplated under the Shanghai Lotus Duck and Processed Meat Purchase Agreement and the implementation thereof be and are hereby approved, ratified and confirmed;
- (b) the proposed caps in relation to the transactions under the Shanghai Lotus Duck and Processed Meat Purchase Agreement for each of the three years ending 31st December, 2005, 2006 and 2007 being HK\$2,000,000, HK\$2,200,000 and HK\$2,420,000 be and are hereby approved; and
- (c) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company and/or its subsidiaries to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/them to be incidental to, ancillary to or in connection with the matters contemplated in the Shanghai Lotus Duck and Processed Meat Purchase Agreement.”

By Order of the Board
Choi Yi Mei
Company Secretary

Hong Kong, 29th March, 2005

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 46th 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, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (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 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 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.