



# Charoen Pokphand Foods Plc.

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## **The Invitation to the Extraordinary General Shareholders' Meeting No.1/2012 on January 18, 2012**

To Shareholder:

The Extraordinary General Shareholders' Meeting No. 1/2012 of Charoen Pokphand Foods Plc. will be held on January 18, 2012 at 2.00 pm at the conference room, 3<sup>rd</sup> Floor, Convention Hall, Panyapiwat Institute of Technology, 85/1 Moo2, Chaengwattana Road, Bang Talad, Pakkred, Nonthaburi.

Agenda Item 1 Consideration and adoption of the minutes of the Annual General Shareholders' Meeting No. 1/2011

Agenda Item 2 Consideration and approval of the purchase of shares in C.P. Pokphand Co. Ltd., a company whose shares are listed with Hong Kong Stock Exchanges and Clearing Limited, which is regarded as an entry into a connected transaction under the relevant notifications of the Capital Market Advisory Board and the Stock Exchange of Thailand.

Agenda Item 3 Consideration and approval of the reduction of the registered capital of the Company in the amount of 686,726,174 baht, from 8,206,664,000 baht to 7,519,937,826 baht by cancelling 686,726,174 authorized but unissued shares of the Company with a par value of 1 baht per share.

Agenda Item 4 Consideration and approval of the amendment to Clause 4 of the Memorandum of Association to be in line with the reduction of the registered capital of the Company.

Agenda Item 5 Consideration and approval of the increase of the registered capital of the Company in the amount of 694,004,106 baht, from 7,519,937,826 baht to 8,213,941,932 baht by issuing 694,004,106 new ordinary shares with a par value of 1 baht per share.

Agenda Item 6 Consideration and approval of the amendment to Clause 4 of the Memorandum of Association to be in line with the increase of the registered capital of the Company.

Agenda Item 7 Consideration and approval of the allocation of the newly issued ordinary shares of the Company to Oriental Success International Limited, which is regarded as a connected transaction under the relevant notifications of the Capital Market Advisory Board and the Stock Exchange of Thailand.

Agenda Item 8 Consideration and approval of the increase of debenture issuance amount

Agenda Item 9 Response to the queries

Please be informed accordingly.

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## The Acquisition of Swine Business in Malaysia

Charoen Pokphand Foods (Malaysia) Sdn. Bhd. (“CPFM”), an indirect subsidiary of CPF will purchase all shares of Makin Jernih Sdn. Bhd. (“MJSB”), which is incorporated in Malaysia, from MKH Berhad (“MKH”) by the first quarter of 2012. MKH Berhad (formerly known as Metro Kajang Holdings Berhad) is a public listed company in the Main Market of Bursa Malaysia Securities.

CPFM will enter into the agreement for the sale and purchase of shares in MJSB with the Seller to acquire 33 million shares of MJSB (resulting in indirect holding of all shares in MJSB’s subsidiaries) from the Seller, for a total consideration of MYR 64 million, equivalent to approximately Baht 640 million. After completion of the acquisition, MJSB and its subsidiaries will become new subsidiaries of CPF.

MJSB, which is an investment holding company established on December 13, 2001 in Malaysia, currently holds 100% of total issued and paid-up shares of the following companies:

1. Chau Yang Farming Sdn. Bhd. (“CYF”), which principally engages in swine farming business and has a license to raise 3,200 sows
  2. Tip Top Meat Sdn. Bhd. (“TTM”), which principally engages in swine abattoir with capacity of 3,500 swines per day
  3. AA Meat Shop Sdn. Bhd. (“AAM”), which principally engages in retail business of selling processed pork and related products. As of September 30, 2011, AAM operated 15 retail shops.
- The above 3 companies together with MJSB will be collectively referred as the “MJSB Group”

### Key Financial Information of MJSB Group<sup>1</sup>

	For the years ended 30 September	
(Million MYR)	2010	2011
Revenue	33.36	35.99
Gross Profit	12.79	11.92
Finance Costs	0.10	0.15
Net Profit	3.61	2.89
Total Assets	58.25	83.79
Total Liabilities	35.95	22.73
Total Equity	22.30	61.06

<sup>1</sup> Source: Audited Consolidated Financial Statements as of September 30, 2010 and 2011

### Authorized and Paid-up Share Capital

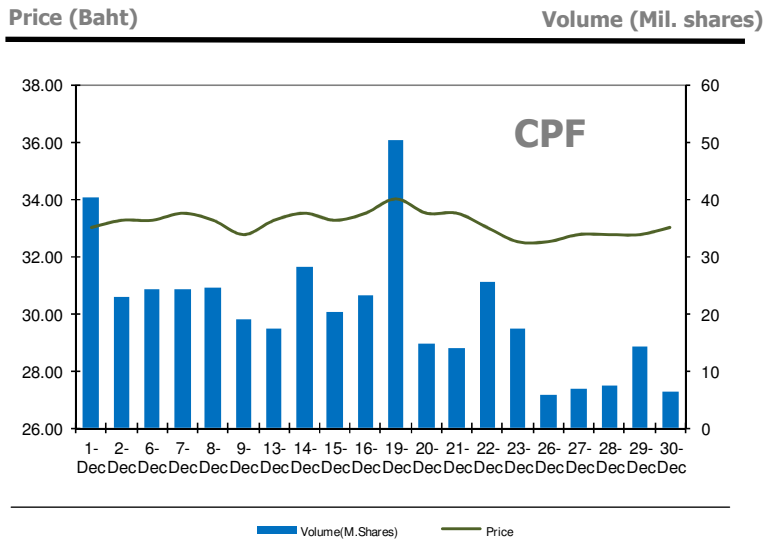
As of September 30, 2011, MJSB has an authorized and paid-up share capital as follows:

Authorized Share Capital :	MYR 50 million, divided into 50 million ordinary shares with a par value of MYR 1.00 each
Paid-Up Share Capital :	MYR 33 million, divided into 33 million ordinary shares with a par value of MYR 1.00 each

The Transaction is conditional upon Hong Leong Bank Berhad (the “Bank”) issuing a written confirmation that it has consented to the change of indirect shareholding in CYF, TTM and AAM, as required under the terms of the facilities taken by each of those companies from the Bank.

The Board of Directors of CPF considered and viewed that this transaction is reasonable and benefits CPF and shareholders as a whole. The acquisition represents attractive opportunities for CPF to immediately expand its integrated swine business in Malaysia. Moreover, the swine abattoir of TTM uses modern technology with high standard, and it is the only one private abattoir approved by the Malaysian Authorities. In the future, CPFM has an opportunity to export pork to Singapore as well.

## Price Performances: CPF



November 2011	
Highest Price	34.25
Lowest Price	32.25
Closed Price	33.00
Average Volume/Day (Shares)	20,400,000

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