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Bor Mor Jor. Jor Por Or. 054/2024

October 25, 2024

Re : The acquisition of investment in a processed food processing and trading business in England

Attn : President
The Stock Exchange of Thailand

Attachment : Information Memorandum regarding the acquisition of investment in a processed food processing and trading business in England

Charoen Pokphand Foods Public Company Limited ("CPF" or the "Company") would like to inform that Westbridge Foods Limited ("Westbridge"), a 99.99% indirect subsidiary of CPF, acquired 65% of ordinary shares in Newburgh Foods Limited ("Newburgh"), a processed food processing and trading company in England. Upon the completion of the acquisition, Newburgh became a subsidiary of CPF. Details of the transaction are shown in the attachment.

The highest transaction size derived from net profit basis is 1.07% of net profit of CPF and its subsidiaries (the "CPF Group") over the last 12 months. This transaction when consolidating with the size of asset acquisition transactions of CPF Group within the six-month period (during April 25, 2024 to October 24, 2024) derived from net profit basis is 1.07% of net profit of the CPF Group which does not trigger the requirement to comply with the regulation in relation to the entering into a major transaction regarding asset acquisition and disposal of a listed company.

Please be informed accordingly.

Sincerely yours,

Kobboon Srichai
(Mrs. Kobboon Srichai)
Company Secretary

**Information Memorandum regarding the acquisition of investment
in a processed food processing and trading business in England**

(1) Transaction Date

October 25, 2024

(2) Involved Parties

Buyer: Westbridge Foods Limited ("Westbridge")¹

Sellers:

- (1) Mr. Leslie Jeffrey Ainscough
- (2) Mr. Derek Owen Wignall
- (3) Ms. Amandalene Margaret Middleton
- (4) Ms. Natalie Ann Shaw
- (5) Ms. Gabrielle Baxter
- (6) Mr. Nicholas Charles Shaw

Relationship: All Sellers are not connected persons of the Company, according to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions. Seller No. (6) currently holds directorship of the Buyer.

(3) General Information of the Transaction and Value of the Transaction

On October 25, 2024 (the "Transaction Date"), the Buyer and the Sellers entered into the Share Purchase Agreement (the "SPA") under which the Buyer agreed to acquire 65% shares in Newburgh Foods Limited which engage in a processed food processing and trading business in England in the total consideration of GBP 13.43 million or approximately THB 591 million² which may be adjusted according to the actual financial information of Newburgh as of October 31, 2024. The acquisition was completed on the Transaction Date (the "First Acquisition").

Additionally, the Buyer will also have right to acquire (Call Option) and the Sellers will also have right to sell (Put Option) the remaining 35% shares in Newburgh after the third anniversary of the First Acquisition or upon the occurrence of the event as specified in the Put and Call Option Agreement (the "Second Acquisition"). The calculation of total consideration for the Second Acquisition shall be set out in the Put and Call Option Agreement.

Upon the completion of the acquisition, Newburgh became a subsidiary of CPF.

(4) Detail of Asset acquired:

Name of the company: Newburgh Foods Limited ("Newburgh")

Business description: Manufacture fresh marinated chicken products, frozen and chilled, as well as repackaged processed frozen chicken. Its 2 factories located in Golborne and Wigan in the northwest region of England have a combined production capacity of 24,700 tons per year. Both factories have been certified to high standards according to the requirements of Quick Service Restaurant ("QSR") customers, such as KFC and WINGSTOP, as well as leading supermarkets in England, including Tesco, ICELAND, and Sainsbury's, etc.

Registered and:
paid-up capital GBP 532 comprises 532 ordinary shares with par value of GBP 1 per share

¹ a 99.99% indirect subsidiary of CPF

² For reference purpose, the exchange rate is THB 43.97 = GBP 1

Summary of financial position and operating results of Newburgh:

(Unit : million) ³	2021		2022		2023	
	GBP	THB	GBP	THB	GBP	THB
Revenues	27.6	1,213.6	40.6	1,785.2	44.6	1,961.1
Net profit	1.4	61.6	1.9	83.5	1.7	74.7
Total assets ⁴	5.8	255.0	11.1	488.1	12.0	527.6
Total Liabilities	3.6	158.3	6.9	303.4	7.0	307.8
Shareholders' Equity	2.3	101.1	4.2	184.7	5.0	219.9

Source: Audited financial statements of Newburgh which prepared in accordance with UK Accounting Standard

Shareholder structure of Newburgh

Shareholders	Shareholding (%)	
	Pre-Transaction	Post-Transaction
1. Mr. Leslie Jeffrey Ainscough	27.63	9.40
2. Mr. Derek Owen Wignall	37.60	13.17
3. Ms. Amandalene Margaret Middleton	9.96	3.58
4. Ms. Natalie Ann Shaw	6.20	2.26
5. Ms. Gabrielle Baxter	6.20	2.26
6. Mr. Nicholas Charles Shaw	12.41	4.33
7. Westbridge	-	65.00
Total	100.00	100.00

(5) Criteria Used in Determining the Transaction Value

The investment value of Newburgh is determined based on negotiations between the Buyer and the Sellers, with reference to the price obtained from various internationally recognized methodologies i.e. the enterprise value to earnings before interest, taxes, depreciation, and amortization (EV/EBITDA ratio).

(6) Transaction Size

The highest transaction size derived from net profit basis is 1.07% of total net profit of CPF Group over the last 12 months.

Applicable approach	Calculation formula	Transaction size
1. Net tangible assets (NTA)	$\frac{\text{NTA of Newburgh, multiplied by the acquisition percentage}}{\text{NTA of CPF Group}}$	0.10%
2. Net profit	$\frac{\text{Net profit of Newburgh, multiplied by the acquisition percentage}}{\text{Net profit of CPF Group}}$	1.07%
3. Total consideration	$\frac{\text{Total consideration paid}}{\text{Total assets of CPF Group}}$	0.07%
4. Value of shares issued as payment-in-kind	$\frac{\text{Number of shares issued by CPF as payment}}{\text{Its total issued and outstanding shares}}$ <i>This approach is not applicable because there will be no securities issuance as payment for the Transaction by CPF Group</i>	N/A

This transaction when consolidating with the size of asset acquisition transactions of CPF Group within the six-month period (during April 25, 2024 to October 24, 2024) derived from net profit basis is 1.07% of total net profit of the CPF Group which does not trigger the requirement to comply with the regulation in relation to the entering into a major transaction regarding asset acquisition and disposal of a listed company.

(7) Source of fund

Loans from financial institution.

³ For reference purpose, the exchange rate is THB 43.97 = GBP 1

⁴ Major assets are accounts receivable and fixed assets

(8) Benefits to the Company

The Board of Directors of the Company considered that the Transaction is reasonable and beneficial for CPF Group, as it enhances the production base by creating a more integrated production model, while also expanding the distribution channels for frozen processed chicken and marinated fresh chicken into leading retail and QSR outlets. This can reduce the risk of competitors entering and competing for market share in this product category.