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March 12, 2021

Re : Disclosure of the connected transaction ([Revision](#))

Attn : President
The Stock Exchange of Thailand

Charoen Pokphand Foods Public Company Limited (the "Company") would like to inform that the Board of Directors' Meeting convened on March 12, 2021 passed the resolution regarding the acquisition in total of 43.30% of ordinary shares in C.P. Aquaculture (India) Private Limited from Charoen Pokphand Group Co., Ltd. and C.T. Progressive (Investment) Ltd. Details of the transaction is in Attachment 1.

This transaction size is equivalent to 1.16% of net tangible assets of the Company and its subsidiaries based on the latest audited consolidated financial statements as of December 31, 2020, which is greater than 0.03% but less than 3.00% of net tangible assets of the Company and its subsidiaries.

Sincerely yours,

Kobboon Srichai
(Mrs. Kobboon Srichai)
Company Secretary

Information Memorandum Regarding the Connected Transaction
The acquisition of ordinary shares of C.P. Aquaculture (India) Private Limited ("CPA")
from Charoen Pokphand Group Co., Ltd. and C.T. Progressive (Investment) Ltd.

1. Involved Parties

Purchaser : Charoen Pokphand Foods Public Company Limited (the "Company" or "CPF") **and its subsidiary**

Seller : Charoen Pokphand Group Co., Ltd. ("CPG") and C.T. Progressive (Investment) Ltd. ("CT Progressive")

Relationship with CPF : CPG is the major shareholder of CPF and CT Progressive is an entity which its ultimate shareholders are Chearavanont family

2. General Characteristic of the Transaction and Value of the Transaction

CPF **and its subsidiary** will acquire ordinary shares of C.P. Aquaculture (India) Private Limited ("CPA") in aggregate of 43.30% of total issued and paid-up shares of CPA for a total consideration of RS 3,483 million or approximately Baht 1,445 million^{/1} from CPG and CT Progressive. Since CPG and CT Progressive are connected persons of CPF in accordance with the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions, the aforementioned transaction is considered as a connected transaction relating to assets or services in compliance with the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 as of November 19, 2003 and additional amendments.

After the completion of the acquisition, CPF's shareholding in CPA will increase from 31.70% to 75.00%. As a result, CPA will change from associated company to subsidiary of CPF.

3. Details of the Assets to be Acquired

Company Name : C.P. Aquaculture (India) Private Limited ("CPA")

Nature of Business : Shrimp feed manufacturing, shrimp hatchery and shrimp processing in India

Paid-Up Capital : RS 250,000,000

Shareholding Structure :

	Shareholding Percentage	
	Pre-Transaction	Post-Transaction
CPF and its subsidiary	31.70	75.00
CPG	30.80	-
CT Progressive	12.50	-
PT Central Proteina PrimaTBK ^{/2}	25.00	25.00
Total	100.00	100.00

Key Financial Position and Performance of CPA for the Last 3 Years

Unit : Million	For the year ended March 31					
	2018		2019		2020	
	RS	THB	RS	THB	RS	THB
Revenue	12,989	5,390	10,782	4,474	9,589	3,979
Net profit (loss)	407	169	(160)	(66)	243	101
EBITDA ^{/3}	1,163	483	500	208	912	378
Total assets ^{/4}	9,386	3,895	9,417	3,907	8,999	3,734
Total liabilities	4,481	1,859	4,641	1,926	3,941	1,635
Total equity	4,905	2,035	4,775	1,982	5,058	2,099

Source: Audited financial statements of CPA

^{/1} For reference purpose, the exchange rate is RS 2.41 = Baht 1

^{/2} Registered in Indonesia which its major shareholders are related persons of Jiaravanon family

^{/3} Earnings before interest, taxes, depreciation and amortization

^{/4} Book value of land of CPA of March 31, 2020 was RS 747 million. In February 2021, land value of CPA was RS 4,116 million based on appraisal value by an independent appraiser

4. Basis to Determine the Value of Consideration

Value of the asset to be acquired was determined on the arm's length negotiation between the purchaser and the seller by reference to the value appraised by the financial advisor which adopted various international accepted valuation methodologies mainly based on Adjusted Book Value, EV/EBITDA Ratio and Discounted Cash Flow Approaches together with other valuation methodologies such as Book Value and P/E Ratio Approaches.

5. Transaction Size

The transaction size is equivalent to 1.16% of net tangible assets of CPF and its subsidiaries based on the latest audited consolidated financial statements as of December 31, 2020.

6. Details and Scope of Interest of Connected Person

- CPG is a major shareholder of CPF. For this transaction, CPG will receive a total consideration of RS 2,478 million or approximately Baht 1,028 million.
- CT Progressive is an entity which its ultimate shareholders are Chearavanont family. For this transaction, CT Progressive will receive a total consideration of RS 1,005 million or approximately Baht 417 million.

7. Source of Fund

Internal cash flow within CPF group

8. Opinion of the Board of Directors

The Board of Directors (excluding director with the conflict of interest) considered and viewed that this transaction is reasonable and beneficial to CPF group as it will enhance flexibility and efficiency in managing the shrimp integrated business in India and the basis used to determine total consideration of this transaction is appropriate.

In this regard, the directors who did not attend the meeting and had no voting right due to the conflict of interest in the transaction are as follows:

<u>List of CPF Directors</u>	<u>Type of Conflict of Interest</u>
(a) Mr. Soopakij Chearavanont	A director of CPG
(b) Mr. Suphachai Chearavanont	A director of CPG
(c) Mr. Chingchai Lohawatanakul	A director of CPG
(d) Mr. Phongthep Chiaravanont	A director of CPG

9. Opinion of the Audit Committee

The Audit Committee has no different opinion from the Board of Directors.