

-Translation-

Bor Mor Jor. Jor Por Or. 034/2021

May 17, 2021

Re : The acquisition of new subsidiaries in Russia

Attn : President  
The Stock Exchange of Thailand

Charoen Pokphand Foods Public Company Limited ("CPF" or the "Company") would like to inform you on the acquisition of 100% of total charter capital of Limited Liability Company BiltOil ("BiltOil LLC."), which owns 100% participation interests in Limited Liability Company Campofarm ("Campofarm LLC."), by subsidiaries of CPF. As a result, BiltOil LLC. and Campofarm LLC. will become CPF's new subsidiaries. Details of the transaction are in the Attachment.

The transaction size calculated based on the calculation methods under the Capital Market Supervisory Board TorChor 20/2551 re: Rules on Entering into Material Transaction deemed as Acquisition or Disposal of Assets, are not under the criteria specified in the rule concerning acquisition and disposition of material assets by listed companies.

Please be informed accordingly.

Sincerely yours,

*Kobboon Srichai*  
(Mrs. Kobboon Srichai)  
Company Secretary

**Information required for the disclosure of the asset acquisition transaction**  
**The Investment in BiltOil LLC. in Russia**

**(1) Transaction Date**

On May 17, 2021, Charoen Pokphand Foods (Overseas) LLC and CPF Netherlands B.V., as subsidiaries of Charoen Pokphand Foods Public Company Limited ("**CPF**" or the "**Company**"), entered into the Framework Agreement for the Sale and Purchase of Participation Interest in Limited Liability Company BiltOil ("**BiltOil LLC.**" or the "**Target**") with Aleinikov Sergey Valerievich and Shamikhin Oleg Albertovich (the "**Framework Agreement**") to acquire the entire charter capital of BiltOil LLC. (the "**Acquisition**" or "**Transaction**") and the Company expected that the Transaction will be completed within the 3<sup>rd</sup> quarter of 2021, subject to fulfillment of the conditions precedent specified in the Framework Agreement (as set out in paragraph 7).

**(2) Involved Parties**

- **Purchaser:** Charoen Pokphand Foods (Overseas) LLC.<sup>/1</sup> and CPF Netherlands B.V.<sup>/2</sup> both of which are subsidiaries of the Company (the "**Purchasers**")
- **Seller:** Aleinikov Sergey Valerievich and Shamikhin Oleg Albertovich (the "**Sellers**")
- **Relationship:** The 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.

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

- **General Characteristic of the Transaction**  
The Purchasers will acquire 100% of total charter capital of BiltOil LLC., a limited liability company organized and existing under the laws of Russian Federation which owns 100% of interest in Campofarm LLC. (a company engaging in a business of pig farming) ("**Campofarm LLC.**"), from the Sellers at the preliminary consideration (on a cash-free and debt-free basis) of approximately RUB 950,000,000 or approximately THB 404 million<sup>/3</sup> (the "**Purchase Price**"). The Purchase Price may be adjusted under the terms and conditions to the Framework Agreement.
- **Transaction Value**  
The Transaction value is approximately THB 404 million or equivalent to 0.05% calculated based on the total consideration basis.

| Applicable approach                          | Calculation formula   | Transaction size |
|--|---|------------------|
| 1. Net tangible assets (NTA)                 | NTA of the Target, multiplied by the acquisition percentage, divided by NTA of the Company<br><i>This approach is not applicable because NTA of the Target is negative</i>  | N/A              |
| 2. Net profit                                | Net profit of the Target, multiplied by the acquisition percentage, divided by net profit of the Company  | 0.00%            |
| 3. Total consideration                       | Total consideration paid, divided by total assets of the Company  | 0.05%            |
| 4. Value of shares issued as payment-in-kind | Number of shares issued by the Company as payment, divided by its total issued and outstanding shares<br><i>This approach is not applicable because there will be no securities issuance as payment for the Transaction by the Company or its subsidiaries.</i> | N/A              |

<sup>/1</sup> A subsidiary which CPF directly holds 8.15% and indirectly holds 89.43% and 2.42% through CPF Investment Limited and CPF Europe S.A. (wholly-owned subsidiaries of CPF), respectively

<sup>/2</sup> A subsidiary which CPF directly holds 99.99%

<sup>/3</sup> Baht 0.4253/RUB 1 (based on the exchange rate as at May 17, 2021 published on the website of the Bank of Thailand)

Based on the calculation above, the highest value of the Transaction, which calculated based on the total consideration basis, is 0.05%. The total value of this Transaction combined with the value of acquisition transaction during the past six months is 0.28%. Therefore, the Transaction value is less than 15% and is not considered as a material transaction which the Company must disclose relevant information pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated August 31, 2008 (as amended) and 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 Acquisition and Disposition of Assets, B.E. 2547 (2004) dated October 29, 2004 (as amended).

#### (4) Detail of Target or Asset to be acquired:

(i) Details of assets

100% of the charter capital of BiltOil LLC. After completion of the Transaction, BiltOil LLC. and Campofarm LLC. will become indirect subsidiaries of the Company.

(ii) Business description

BiltOil LLC., a limited liability company organized and existing under the laws of Russian Federation, holds 100% interest in Campofarm LLC. whose main business is pig farming. Campofarm LLC. owns and operates pig farm in Moscow region of Russia with the approximate capacity of 2,600 sows and produces fattening pigs of approximately 63,000 pigs/year. Campofarm LLC. also engage in crop farming business on leased land producing grain of approximately 13,000 tons/year.

(iii) Key financial information for the last three years:

Key financial information derived from BiltOil LLC.'s statutory accounts which prepared in accordance with Russian Accounting Standards (RAS) is as follows:

| (Unit: in million) <sup>/4</sup> | 2018  |       | 2019 |      | 2020 |     |
|----------------------------------|-------|-------|------|------|------|-----|
|                                  | RUB   | THB   | RUB  | THB  | RUB  | THB |
| Revenues                         | 3     | 1.3   | 2    | 1    | 1    | 0.4 |
| Net Profit                       | (0.4) | (0.2) | 0.3  | 0.1  | 0.2  | 0.1 |
| Total Assets                     | 352   | 150   | 352  | 150  | 372  | 158 |
| Total Liabilities                | 412   | 175   | 412  | 175  | 379  | 161 |
| Shareholders' Equity             | (60)  | (26)  | (60) | (26) | (7)  | (3) |

Key financial information derived from Campofarm LLC.'s statutory accounts which prepared in accordance with Russian Accounting Standards (RAS) is as follows:

| (Unit: in million) <sup>/4</sup> | 2018  |     | 2019  |     | 2020  |     |
|----------------------------------|-------|-----|-------|-----|-------|-----|
|                                  | RUB   | THB | RUB   | THB | RUB   | THB |
| Revenues                         | 773   | 329 | 789   | 336 | 818   | 348 |
| Net Profit                       | 107   | 46  | 16    | 7   | 2     | 1   |
| Total Assets                     | 1,185 | 504 | 1,190 | 506 | 1,154 | 491 |
| Total Liabilities                | 199   | 85  | 190   | 81  | 151   | 64  |
| Shareholders' Equity             | 986   | 419 | 1,000 | 425 | 1,003 | 427 |

(iv) Charter Capital

BiltOil LLC. has a total charter capital of RUB 10,000.

(v) Governing bodies of BiltOil LLC. as of May 17, 2021

BiltOil LLC. does not have a board of directors and the day-to-day management is carried out by the general director (Shamikhin Oleg Albertovich).

<sup>/4</sup> Baht 0.4253/RUB 1 (based on the exchange rate as at May 17, 2021 published on the website of the Bank of Thailand)

(vi) Capital structure of BiltOil LLC.

| Participants                              | Participation Interests (%) |                  |
|---|-----------------------------|------------------|
|   | Pre-Transaction             | Post-Transaction |
| 1. Aleinikov Sergey Valerievich           | 50%                         | -                |
| 2. Shamikhin Oleg Albertovich             | 50%                         | -                |
| 3. Charoen Pokphand Foods (Overseas) LLC. | -                           | 99.99%           |
| 4. CPF Netherlands B.V.                   | -                           | 0.01%            |
| <b>Total</b>                              | <b>100%</b>                 | <b>100%</b>      |

**(5) Criteria Used in Determining the Transaction Value**

The enterprise value of the Target to be acquired was determined based on negotiations between the Sellers and the Purchasers with reference to the price obtained from various customary valuation methodologies e.g. discounted cash flow.

**(6) Source of fund**

The Company will fund this Transaction from its internal cash flow and financing within the group.

**(7) Conditions for Entry into the Transaction**

The Acquisition is conditional upon:

- (1) Receipt of antitrust approval from the Russian Competition Authority; and
- (2) Satisfaction of other conditions precedent as specified in the Framework Agreement.

**(8) Opinions of the Board of Directors**

The Board of Directors of the Company considered that this Transaction provides the opportunity for the Company to expand its pig farm operations, in line with its key strategy to produce fattening pigs in Russia. In addition, the Company will be able to increase the utilization of its feed mill.