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Bor Mor Jor. Jor Por Or. 040/2021

May 31, 2021

Re : Disclosure of the connected transaction by a subsidiary

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 May 31, 2021 passed the resolution regarding the disposition of certain assets relating to meat and food product distribution to retail customers, small-sized restaurants and small-sized hotels. Details of the transaction are in the Attachment to this letter.

This transaction size is equivalent to 0.64% of net tangible assets of the Company and its subsidiaries based on the latest reviewed consolidated financial statements as of March 31, 2021, which is greater than 0.03% but less than 3.00% of net tangible assets of the Company and its subsidiaries. This transaction is not under the criteria specified in the rules concerning acquisition and disposition of material assets by listed companies.

Sincerely yours,

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

**Information Memorandum Regarding the Connected Transaction**  
**The Disposition of Certain Assets relating to Meat and Food Product Distribution by a Subsidiary**

**1. Involved Parties**

Purchaser : Ek-Chai Distribution System Co., Ltd. ("Ek-Chai")  
 Seller : CPF Trading Co., Ltd. ("CPFT"), an indirect subsidiary of Charoen Pokphand Foods Plc. ("CPF") with 99.99% stake  
 Relationship with CPF : Charoen Pokphand Group Co., Ltd. ("CPG"), a major shareholder of CPF, is an indirect major shareholder of Ek-Chai

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

CPFT will dispose certain assets relating to meat and food product distribution to retail customers, small-sized restaurants and small-sized hotels to Ek-Chai at the total consideration of approximately Baht 861.6 million. Fixed assets and tangible assets will be counted and their price will be adjusted based on the value as of the settlement and ownership transfer date. Since the purchaser is a connected person 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 under 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 amendments thereof.

**3. Details of the Assets to be Disposed**

Certain assets relating to meat and food product distribution to retail customers, small-sized restaurants and small-sized hotels including equipment, electronic working system and other relevant assets and information at the total consideration of approximately Baht 861.6 million. Fixed assets and tangible assets will be counted and their price will be adjusted based on the value as of the settlement and ownership transfer date.

**4. Basis to Determine the Value of Consideration**

Value of the assets to be disposed was determined on the arm's length negotiation between the purchaser and the seller by reference to the price assessed by an independent appraiser.

**5. Transaction Size**

The transaction size is equivalent to 0.64% of net tangible assets of CPF and its subsidiaries based on the latest reviewed consolidated financial statements as of March 31, 2021. The total size of the transactions including the transaction mentioned herein and the connected transactions relating to assets or services occurred during a period of the past six months (calculated from November 30, 2020 to May 30, 2021) is equivalent to 1.80% of the net tangible asset of CPF and its subsidiaries, which is greater than 0.03% but less than 3.00% of net tangible assets of CPF and its subsidiaries.

**6. Details and Scope of Interest of Connected Person**

- The purchaser is a connected person of CPF as it has CPG, a major shareholder of CPF, as an indirect major shareholder
- The purchaser has interest in the acquisition of assets from CPFT with total consideration of approximately Baht 861.6 million

**7. Transaction Period**

The transfer of assets and settlement are expected to occur within the 3<sup>rd</sup> quarter of 2021.

**8. Opinion of the Board of Directors**

The Board of Directors (excluding director with the conflict of interest as mentioned below) has considered and viewed that this transaction is reasonable and beneficial to CPF group since the transaction will be carried out for the benefit of businesses operation based on the expertise of each party. In this regards, the directors who did not attend the meeting and had no voting right were Mr. Soopakij Chearavanont, Mr. Supachai Chearavanont, Mr. Chingchai Lohawatanakul and Mr. Phongthep Chiaravanont, as they are directors of CPG.

**9. Opinion of the Audit Committee**

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