

Agenda for the Extraordinary General Shareholders' Meeting No. 1/2020
Charoen Pokphand Foods Public Company Limited

Item 1 To adopt the Minutes of the Annual General Shareholders' Meeting No. 1/2020

Facts and Reasons

The Annual General Shareholders' Meeting No. 1/2020 was held on June 24, 2020. A copy of the minutes of the Meeting was distributed, as per Attachment 2.

Board's Opinion

After due consideration, the Board of Directors is of the opinion that the said minutes should be adopted at the Shareholders' Meeting.

Item 2 To approve the acquisition of swine business in China by a subsidiary which is considered as the acquisition of assets and connected transaction

Facts and Reasons

On September 14, 2020 Chia Tai Investment Co., Ltd. ("CTI") (which is an indirect wholly-owned subsidiary of C.P. Pokphand Co. Ltd. ("CPP"), a subsidiary of the Company) has entered into an agreement with (i) CP China Investment Limited, (ii) CP Food Enterprise (Qinhuangdao) Co., Ltd. and (iii) Chia Tai Animal Husbandry Investment (Beijing) Co., Ltd. ("Vendor") (which is an indirect wholly-owned subsidiary of Charoen Pokphand Group Company Limited ("CPG"), a major shareholder of the Company). Pursuant to the agreement, CTI has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the equity capital in 43 entities, established and operating the breeding, farming, slaughtering, food processing and sale of swine in the People's Republic of China ("PRC") ("Swine Business") ("Targets"), held by the Vendor. CTI will issue new shares representing 65% of enlarged share capital to the Vendor as the consideration for the equity capital in the Targets ("Transaction"). The value of the Transaction is approximately RMB 28,140 million or equivalent to approximately THB 131,287 million or equivalent to approximately USD 4,109 million¹. Details of the Transaction and brief details of the Targets are as set out in Attachment 3 - Information Memorandum Regarding the Acquisition of Assets and Connected Transaction in respect of the acquisition of equity capital in 43 entities operating Swine Business in China.

The Transaction is regarded as a transaction under the Notification of the Capital Market Supervisory Board and the Notification of the Board of Governors of the Stock Exchange of Thailand as follows:

- (1) 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). (the "Rules on Acquisition or Disposal of Assets"); and
- (2) Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions 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 Connected Transaction B.E. 2546 (2003) dated November 19, 2003 (as amended) (the "Rules on Connected Transactions").

The highest transaction size according to the Rules on Acquisition or Disposal of Assets is 80.5% of Net Profit from Operation after taxes of the Company and its subsidiaries based on the latest reviewed and audited (as the case may be) consolidated financial statements for 4 retrospective quarterly information, starting June 30, 2020, which will be considered as Category 1 transaction with a transaction size of more than 50% but less than 100%. In addition, the transaction size according to the Rules on Connected Transactions is greater than 3% of net tangible assets of the

¹ For reference purpose, the exchange rate is THB 4.6655 = RMB 1 and RMB 6.849 = USD 1.

Company and its subsidiaries based on the latest reviewed consolidated financial statements as of June 30, 2020 (the effect of treasury stocks until August 28, 2020 has been taken into account). Therefore, the Company is required to disclose the information regarding the Transaction to the Stock Exchange of Thailand, convene a meeting of shareholders to resolve to approve the execution of the Transaction and appoint an independent financial advisor to render opinion to shareholders on the Transaction as required under the Rules on Acquisition or Disposal of Assets and the Rules on Connected Transactions.

As mentioned above, the Board of Directors proposes the Extraordinary General Shareholders' Meeting No. 1/2020 to consider and approve the execution of the Transaction by CTI. In addition, the Board of Directors also proposes the Extraordinary General Shareholders' Meeting No. 1/2020 to consider and approve that the Directors and/or the person(s) designated by the Directors to be authorised to undertake any acts relating to the Company necessary for or in connection with the Transaction in order to facilitate any arrangements in relation thereto.

(Details of the Transaction are set out in Attachment 3 and 4 - Information Memorandum Regarding the Acquisition of Assets and Connected Transaction in respect of the acquisition of equity capital in 43 entities operating Swine Business in China and the disclosure of additional information as required pursuant to the Rules on Acquisition or Disposal of Assets and the Rules on Connected Transactions and Attachment 5 - the Independent Financial Advisor Report)

Board's Opinion

The Board of Directors (excluding those Directors with a conflict of interest as mentioned in Section 13 of Attachment 3) is of the opinion that the Transaction is reasonable, appropriate and in the interests of the Company, its subsidiaries and its shareholders as a whole due to various reasons including, but not limited to, the following reasons:

1. CTI would gain access to the PRC swine market which is the largest swine market in the world and has a robust growth outlook and CTI would become one of the largest Swine Business operators in terms of market share;
2. the integration with the Targets enables CTI to become a group of companies that encompasses integrated Swine Business including feed, swine farming, slaughtering and food processing. As a result, CTI going forward would be able to better address market changes, leverage the know-how across the value chain and further expand its footprint better in the future;
3. although CPP's interest in CTI will decrease to 35%, there will be an enhancement in net asset value of CPP and an increase in profits of CPP from the good performance of Swine Business; and
4. CPP is expected to continue its significant involvement in the development and direction of CTI's business strategy through the representative in the board of directors and will also have access to information on both CTI and the Targets to facilitate future business decision making.

Therefore, the shareholders' meeting should approve the acquisition by CTI of Swine Business in China, which is considered as an entry into the transaction under the Rules on Acquisition or Disposal of Assets and the Rules on Connected Transactions, and the shareholders' meeting should approve the authorisation to the Directors of the Company and/or any person(s) designated by the Directors as proposed by the Board of Directors in all respects.

Resolution

This agenda shall be passed by an affirmative resolution of not less than three-fourths of the total number of votes of shareholders attending the meeting and having the right to vote, excluding the shareholders who have a conflict of interest.

Item 3 To respond to the queries