

DISCLOSURE INFORMATION TO SHAREHOLDERS

In relation with Affiliated Transaction PT Charoen Pokphand Indonesia Tbk, by way of purchasing fixed assets owned by Sumber Budi Asih ("Transaction").

Transaction is an Affiliated Transaction which stipulated in Financial Services Authority Regulation No. 42/POJK.04/2020 dated 2 July 2020 concerning Affiliated Transaction and Conflict Interest on Certain Transaction.



PT Charoen Pokphand Indonesia Tbk ("Company")

Domiciled in Jakarta, Indonesia.

Head Office:
Jl. Ancol VIII/1, Jakarta 14430.
Phone (021) 6919999, Fax. (021) 6907324
www.cp.co.id

STATEMENT OF DIRECTORS

The Company has and has carried out adequate procedures to ensure that Affiliated Transaction is carried out in accordance with generally accepted business practices and will keep documents related to the implementation of these procedures within the period of document storage in accordance with the provisions of the legislation.

STATEMENT OF BOARD OF COMMISSIONERS DAN DIRECTORS

Affiliated Transaction does not contain a Conflict of Interest and all material information has been disclosed and the information is not misleading.

This Disclosure Information issued in Jakarta on 27 July 2021.

DESCRIPTION OF THE TRANSACTION

1. Date and Object of Transaction

On 23 July 2021, the Company, has signed a Sale and Purchase Binding Agreement with PT Sumber Budi Asih ("SBA") to purchase the object of the Transaction. The object of the Transaction is fixed assets in the form of land with building rights of 59,490 m² as referred to in (1) Certificate of Hak Guna Bangunan No. 54 dated April 25, 2002 which is valid until April 29, 2022, located in Kadu Village, Curug District, Tangerang Regency, Banten Province; and (2) Certificate of Hak Guna Bangunan No. 90 dated 17 July 2002 which is valid until 2 July 2032, located in Manis Jaya Village, Jatiuwung District, Tangerang City, Banten Province ("Object of Transaction")

2. Value of Transaction

Transaction value is IDR 183,229,200,000 excluding taxes. The Transaction is not a Material Transaction as referred to in OJK Regulation No. 17/POJK.04/2020 dated April 20, 2020 regarding Material Transactions and Changes in Business Activities. This is because the transaction value is Rp183,229 million or less than 20% of the equity value of the Company and its Subsidiaries based on the Consolidated Financial Statements of the Company and its Subsidiaries for the year ended December 31, 2020 which has been audited by the Purwantono Public Accounting Firm, Sungkoro & Surja with an unqualified opinion of Rp.4,669.937 million.

3. Parties Conducting the Transaction and the Relationship with the Company

PT Charoen Pokphand Indonesia Tbk

Brief History

The Company is domiciled in North Jakarta and established in Indonesia under the name PT Charoen Pokphand Indonesia Animal Feedmill Co. Limited, based on the deed of establishment contained in the Deed No. 6 dated January 7, 1972, made before Drs. Gde Ngurah Rai, SH, Notary in Jakarta, as amended by Deed No. 5 dated 7 May 1973 drawn up before the same Notary. The deed of establishment has been ratified by the Minister of Justice of the Republic of Indonesia with Decree No. YA-5/197/21 dated June 8, 1973.

The Company's Articles of Association have been amended, most recently by Notarial Deed of Fathiah Helmi, SH No. 71 dated 23 May 2019. The deed has been approved by the Minister of Law and Human Rights of the Republic of Indonesia in Decree No. AHU-0032182.AH.01.02.TAHUN 2019 dated June 21, 2019.

Business Activities

The Company's business activities are in accordance with NIB No. 8120001873312 dated March 5, 2021 are (a) Animal Food Ration Industry; (b) Broiler Cultivation; (c) Poultry Slaughterhouse and Packaging Activities; (d) Cold Storage Activities; (e) Manufacture of plastic goods for packaging; (f) Cooking Seasoning and Seasoning Industry; (g) Selection of Plant Seeds for Breeding; (h) Fruit and Vegetable Freezing Industry; (i) Non-Poultry Meat Slaughterhouse and Packing Activities; (j) Wholesale of Other Food and Beverages; (k) Mixed Flour and Flour Dough Industry; (l) Home Appliances and Appliances Industry (Excluding Furniture); (m) Breeding Chickens; (n) Main Pharmaceutical Industry for Animals; (o) Meat and Poultry Meat Product Processing and Preservation Industry; (p) Processed Food and Cuisine Industry; (q) Warehousing and Storage.

Shareholders Composition

Based on the Company's Register of Shareholders, the Company's shareholders as of December 31, 2020 are:

Shareholder	Number of Shares	Nominal Value (Rp)	%
PT Charoen Pokphand Indonesia Group	9,106,385,410	91,063,854,100	55.53
Public (each with less than 5% ownership)	7,291,614,590	72,916,145,900	44.47
Total	16,398,000,000	163,980,000,000	100.00

Management

Based on Notarial Deed of Fathiah Helmi, SH No. 9 dated 11 February 2019, which has been notified to the Ministry of Law and Human Rights of the Republic of Indonesia with the Acceptance of Notification No. AHU-AH.01.03-0143874 dated March 13, 2019, the composition of the Directors and Board of Commissioners of the Company is:

President Director	: Tjiu Thomas Effendy
Vice President Director	: Peraphon Prayooravong
Director	: Ong Mei Sian
Director	: Jemmy
Director	: Eddy Dharmawan Mansjoer
Director	: Ferdiansyah Gunawan Tjoe
President Commissioner	: Hadi Gunawan Tjoe
Vice President Commissioner	: Rusmin Ryadi
Independent Commissioner	: Suparman S.

PT Sumber Budi Asih

Brief History

SBA is domiciled in Tangerang Regency and was established based on the Notarial Deed of Drs. Gde Ngurah Rai, SH, No. 24 dated September 24, 1981, which has been ratified by the Minister of Justice of the Republic of Indonesia by Decree no. Y.A.5/245/15 March 23, 1982.

The SBA's Articles of Association have been amended, most recently by Notarial Deed of Afrizal, SH, No. 5 dated 7 July 2021, which has been approved by the Ministry of Law and Human Rights of the Republic of Indonesia with Decree no. AHU-0038844.AH.01.02.TAHUN 2021 dated July 8, 2021.

Business Activities

SBA's business activities in accordance with NIB No. 1297000681656 dated June 15, 2021 is the Broilers Farm and Breeding Farm.

Shareholders Composition

Based on Notarial Deed Afrizal, SH, No. 33 dated 30 November 2016, which has been notified to the Ministry of Law and Human Rights of the Republic of Indonesia with the receipt of notification no. AHU-AH.01.03-0108933 dated December 19, 2016, the shareholders of SBA are:

Shareholder	Number of Shares	Nominal Value (Rp)	%
Tuty Limas	96	72,000,000	96.00
Susijanti	4	3,000,000	4.00
Jumlah	100	75,000,000	100.00

Management

Based on Notarial Deed Afrizal, SH No. 5 dated 7 July 2021, which has been notified to the Ministry of Law and Human Rights of the Republic of Indonesia with the Acceptance of Notification No. AHU-AH.01.03-0426639 dated July 8, 2021, the composition of the Board of Directors and Board of Commissioners of SBA is:

Director	:	Kornelia Alison
Commissioner	:	Bany Suteja

4. Nature of Conflict of Interest among Parties Involved in Transaction with the Company

In terms of control, the Company and SBA have the same Controlling Shareholder, namely the Jiaravanon Family.

5. Explanation, Justification and Reason for Such Proposal of Transaction

As one of the business activities carried out by the Company, the processed food business is an important contributor to the Company's sales. In fact, during the Covid-19 pandemic, sales of processed food continued to grow, so the Company will continue to strengthen this line of business to anticipate increased demand in the future.

For this reason, the Company will carry out two strategies in strengthening the processed food business line, namely increasing production capacity and strengthening distribution networks. The purpose of strengthening the distribution network is to increase the availability and bring the Company's processed food products closer to final consumers.

One way to strengthen the distribution network is to establish cold storage and dry storage to store processed food products as well as a distribution center. With the cold storage and dry storage, the Company can increase the storage capacity of processed food products without reducing the quality of these products and speed of distribution to retail stores, including Prima Freshmart, a retail store owned by the Company's Controlled Company.

The Company has a plan to build cold storage and dry storage above the Transaction Object due to its strategic location and located in an Industrial Estate that already has complete infrastructure.

The Company's consideration for conducting transactions with an Affiliated party, namely SBA, compared to if the transaction is carried out with an unaffiliated party, is because the location of the fixed assets to be purchased is quite strategic and sufficient and complete information on the fixed assets being transacted is available to the Company.

The source of funds that will be used by the Company to carry out the Transaction is an internal source of funds.

SUMMARY OF APPRAISAL REPORT

1. Summary of the Appraiser's Report on the Object of the Transaction

KJPP Toto Suharto and Partners as Appraisers appointed by the Company to conduct an assessment of the Transaction Object have submitted Asset Valuation Report No. 00194/2.0055-00/PI/01/0369/0/V/2021 dated 27 May 2021 with the following summary:

a. Identity of the Parties

Assignor and Report User of PT Charoen Pokphand Indonesia Tbk, having its address at Jalan Ancol Barat VIII No. 1, Jakarta 14430.

b. Object of Valuation

The object of the assessment is vacant land owned by PT Sumber Budi Asih which is located in the Manis Industrial Estate, Jalan Manis Raya No. 1, Kadu Village, Curug District, Tangerang Regency, Banten Province.

With land data assessed as follows:

- Type of Ownership : SHGB No. 54 and SHGB No. 90
- Last Rightholder Name : PT Sumber Budi Asih.
- Land area : SHGB No. 54 with an area of 52,695 m² and SHGB No. 90 covering an area of 6,795 m², with a total area of 59,490 m²
- Designation : Industrial Estate

c. Objective of Valuation

The purpose of the assessment is to provide an opinion regarding the Market Value that will be used for the purpose of Selling - Buying from the buyer's side.

The assessment report is not to be used outside the context or purpose for which it was intended. The appraiser is not responsible if the Appraisal Report is used other than the purposes stated above.

d. Assumptions and Limiting Conditions

This Assessment and Assessment Report is subject to the following Limiting Conditions:

1. This assessment was carried out in uncertain conditions (high level of uncertainty) as a result of the Covid-19 pandemic, so that users of the assessment report were asked to be careful in determining the relevance of the assessment results to their needs (related to the use of the assessment results), especially regarding with the difference between the valuation date and the time when the valuation results are used in business and economic/financial decision-making.
2. Information that has been provided by other parties to the Appraiser as stated in the Appraisal report is considered appropriate and trustworthy, but the Appraiser is not responsible if it turns out that the information provided is proven not to be in accordance with the real thing. Information stated without mentioning the source is the result of our review of existing data, examination of documents or information from authorized government agencies. The responsibility for re-checking the correctness of the information rests entirely with the Task Giver.
3. Unless otherwise regulated by existing laws and regulations, the assessment and the Assessment report are confidential and are only intended for the intended Assigner and his professional advisor and are presented only for the purposes and purposes as stated in the Assessment report. We are not responsible to any other party other than the said Task Giver. Other parties who use this report are responsible for any risks that arise.

4. The values listed in this report and any other values in the Report that are part of the property being appraised shall only apply in accordance with the purposes and objectives of the Appraisal. The values used in this Assessment report may not be used for other Assessment purposes which may result in errors.
5. We have considered the condition of the property in question, however, we are not obliged to inspect the building structure or parts of the property that are closed, invisible and inaccessible. We make no guarantees if there is weathering, termites, other pest disturbances or damage that is not visible. The appraiser is not obliged to carry out inspections of environmental and other facilities. Unless otherwise stated, our assessment is based on the assumption that all of these aspects have been properly met.
6. We do not investigate the condition of the soil and other environmental facilities, for a new development. If not informed otherwise, our assessment is based on fairness, and for a development plan there are no unreasonable expenses or delays in the development period.
7. We do not investigate environmental issues related to pollution. If no other information is provided, our assessment is based on the assumption that there is no pollution that could affect the value.
8. The images, floor plans or maps contained in this report are presented only for ease of visualization. We do not carry out surveys/mappings and are not responsible for this.
9. Information regarding the city planning plan is obtained from the General City Spatial Plan and a written statement issued by the authorized agency. Unless instructed otherwise, we assume that the property being assessed is not affected by various things that are restrictions and the property and conditions of use both now and in the future do not conflict with the applicable regulations.
10. All existing proof of ownership, legality and licensing are based on information and data provided by the Assignment Provider / report user. Therefore, we do not re-measure the property area in detail, but data from certificates & building drawings received from the Assignment Provider / report user.
11. If there is a claim and/or lawsuit in relation to the assets being appraised by the Appraiser, then the claim and/or lawsuit can be ignored and the Appraiser considers the asset to be free, not pledged and/or pledged and/or there are no claims or lawsuit and currently the Appraiser assumes the asset is in legal ownership and/or under the supervision and responsibility of the owner of the asset.
12. The Public Appraisal Service Office of Toto Suharto & Partners in relation to and in connection with this assessment task, may provide information to parties other than the Assignment Provider and/or service user and/or testify at a court hearing or other government bodies relating to assets assessed, by first obtaining approval (commitment) from the Assignment Provider and all costs incurred are the burden and responsibility of the Assignment Giver.
13. This Assessment Report is NOT allowed to be disseminated to the public or other parties, either in part or in whole, on the value opinions contained in it including the contents of the statement or the entire contents of this assessment report, including the names and affiliations of experts from the Appraiser contained in this appraisal report, and is not allowed to be used as a reference for other parties who have nothing to do with the Assignment Giver, without the permission or knowledge of the Appraiser (SPI 103 point 5.3.a.12)

14. This Appraisal Report is considered invalid, if it does not bear the seal of the Public Appraisal Service Office of Toto Suharto & Partners and the signature of the Leader of the Partner and/or Partner who has a Public Appraiser permit.

15. We confirm that this assessment report is confidential to the company in accordance with the written requirements. We are not responsible to third parties, and neither part nor all of the report or reference to this report is permitted to be published in any document, statement, circular, or to be communicated to third parties without our prior written consent for the format or context in which it will be raised.

e. Appraisal Approach and Methods

In this assessment, we consider the Market Approach with the Market Data Comparison Method as the most suitable approach and valuation method to use, given the following conditions:

Approach	Reason for Use	Method
Market	Availability of adequate, comparable and similar market data to the object of assessment	Market Data Comparison
Income	Not used due to the absence of identifiable actual or proxy revenue stream data obtained from the owner	-
Cost	Not used because of the availability of adequate, comparable and similar market data to the object of assessment	-

f. Results of Valuation

By using the usual valuation methods, and taking into account all information, the factors as contained in this report and based on the assumptions and conditions of applicable restrictions, we are of the opinion that the Market Value of the property as of December 31, 2020, is in the amount of Rp. 172,521,000,000.00 (One Hundred Seventy Two Billion Five Hundred Twenty One Million Rupiah).

The value above describes the opinion of the Market Value of the property a.n. PT Sumber Budi Asih with the aim of selling - buying to PT Charoen Pokphand Indonesia Tbk.

2. Summary of the Appraiser's Fairness Opinion on Transaction

KJPP Toto Suharto and Partners as Appraisers appointed by the Company to evaluate the Object of the Transaction have submitted Fairness Opinion Report No.00248/2.0055-00/BS/0060/0/VII/2021, dated 22 July 2021 with the following summary :

a. Identity of the Parties

The parties involved in the Proposed Transaction are:

- PT Charoen Pokphand Indonesia Tbk (the "Company") as the party that will buy and accept the transfer of control of assets belonging to PT Sumber Budi Asih.
- PT Sumber Budi Asih ("SBA") as the party who owns the fixed assets to be sold and transferred to PT Charoen Pokphand Indonesia Tbk.

b. Object of Valuation

The objects of the Proposed Transaction are fixed assets in the form of:

1. Land with an area of 52,695 m², as referred to in the Certificate of Building Use Rights No.54 dated April 25, 2002 which is valid until April 29, 2022, which is located in the Manis Industrial Estate, Jalan Manis Raya No.1, Dadu Village, Curug District, Regency Tangerang, Banten Province.
2. Land with an area of 6,795 m² as referred to in the Certificate of Right to Build No. 90 dated July 17, 2002 which is valid until July 2, 2032, which is located in the Manis Industrial Estate, Jalan Manis Raya No. 1, Manis Jaya Village, Jatiuwung District, Municipality Tangerang, Banten Province.

c. Objective of Valuation

This Fairness Opinion Report aims to examine the fairness of the Proposed Transaction, in relation to the Financial Services Authority Regulation No. 42/POJK.04/2020 concerning Affiliated Transactions and Conflicts of Interest.

d. Assumptions and Limiting Conditions

In preparing this independent opinion, we use several assumptions, including:

1. We assume that the date of issuance of this opinion until the Proposed Transaction does not occur any changes that will materially affect the Proposed Transaction.
2. We assume that the Company complies with all regulations set by the government, especially those related to the Company's operations, both in the past and in the future.
3. We assume that the legality of the Company has no legal problems or other problems both before and after the Proposed Transaction.
4. We assume that the Company has and will fulfill obligations relating to taxes, levies and other levies in accordance with applicable regulations.
5. This opinion should be viewed as a whole and that the use of any part of the analysis and information without considering the entirety of the information and analysis may lead to a misleading view of the process on which the opinion is based. The formation of this opinion is a complex process and may not be possible through incomplete analysis.
6. The scope of our study is limited to plans for buying and selling and transferring ownership of fixed assets in the form of land to be purchased and transferred from SBA which is an affiliated transaction.
7. All data and information that we received in this assignment, which based on the explanation of the Company's management are data and information that support the Company's Proposed Transaction, we receive and we consider to be correct.
8. We have reviewed the documents used in the assessment process.
9. We are responsible for the Fairness Income report and the final opinion or conclusion.
10. We are not responsible for any losses as a result of erroneous opinions or conclusions that occur due to data or information from the Company that is relevant and has a significant impact on our opinions or conclusions, which we have not and/or have not received from the Company.
11. We are not responsible for reaffirming or supplementing our opinion due to events occurring after the date of this report.

12. The rewards we receive are not at all affected by the fairness of the value resulting from this fairness analysis process and we only receive the rewards as stated in the offer letter Number: M.FO. 21.000002, May 4, 2021.
13. This Fairness Opinion Report is a non-disclaimer opinion.
14. The financial projections used are made by the Company's management and have been adjusted by us.
15. We are responsible for the implementation of the assessment and fairness of financial projections.
16. This Fairness Opinion Report is open to the public unless there is confidential information, which may affect the company's operations.

e. Appraisal Approach and Methods

In evaluating the fairness of the Transaction, we conduct an analysis with the following stages:

1. Analysis of the transaction plan which includes the identification and relationship between the parties involved in the proposed transaction, analysis of the binding agreement and requirements in the proposed transaction, analysis of the benefits and risks of the proposed transaction.
2. Qualitative analysis of the planned transaction which includes the history of the Company and its business activities, industry analysis, operational analysis and prospects of the Company, analysis of the reasons for carrying out the proposed transaction, advantages and disadvantages of the proposed transaction.
3. Quantitative analysis of the planned transaction which includes analysis of the Company's historical financial statements, cash flow analysis, financial ratio analysis, analysis of financial projections, analysis of the Company's financial statements before and after the planned transaction and value added analysis.
4. Analysis of the fairness of the proposed transaction value.

f. Fairness Opinion on Transaction

- Based on a brief history of the transacting parties, it is known that the Proposed Transaction is an affiliated transaction, where the Company and SBA have the same controlling shareholder, namely the Jiaravanon Family.
- Based on the summary of the draft agreement and the terms of the Sale and Purchase Agreement, there are no special requirements that will harm the transacting parties so that the terms contained in the transaction plan are reasonable.
- The benefit of the transaction plan is that one of the Company's business activities is the processed food business which is an important contributor to the Company's sales. By purchasing and taking over fixed assets in the form of land owned by SBA, the Company can increase the storage capacity of processed food products without reducing the quality of these products and speed of distribution to retail stores. Transaction plan risk is the risk of increasing land and building tax burden in the future with this transaction plan.
- Based on the industry description above, it is known that the poultry industry, which supports the processed food product industry in Indonesia, especially from poultry, still has future prospects. Thus, the Company's decision to purchase and accept the transfer of fixed assets in the form of land which is planned to be used for cold storage development, with the aim of strengthening the distribution network and increasing the availability of processed food which is a product of the Company by expanding in that location is reasonable.
- Based on the explanation above, the reason for the Company to plan transactions with affiliates, namely the location of the fixed assets to be sold and transferred which is quite strategic and sufficient and complete information on the fixed assets being transacted is available to the Company, is reasonable.

- The advantage of the transaction plan is that the Company can enlarge its business potential in the poultry processing industry in terms of increasing storage capacity in the future. The disadvantage of the Transaction Plan is that there are costs that arise as a result of this transaction plan, which are not limited to the costs of supporting institutions, such as Asset Valuation. Additional costs that arise include the cost of evaluating the object of the transaction, fees related to the appraiser profession and other obligations that may arise in the future.
- Based on the historical financial performance of the Company, it is known that one of the Company's businesses, namely processed food, especially from poultry, is able to generate profits, so the Company plans to purchase and acquire fixed assets in the form of land and complementary facilities owned by SBA and plans to use cold storage development to strengthen the distribution network and increase the availability of processed food is expected to provide benefits to the Company is reasonable.
- Based on the ratio analysis, the transaction plan has a good influence on the Company's finances, so the transaction plan is considered reasonable
- By carrying out the planned transaction, it is estimated that it will provide added value to the Company in the form of an average net profit of Rp1,509,948,000.00 per year during the projection period, or 9.10% greater than without the Proposed Transaction.
- Based on the comparison of the planned transaction value of Rp183,229,200,000,00 with the market value of assets of Rp172,521,000,000.00, there is a difference of 6.21% or below 7.5%, then the price determined is reasonable.

g. Appraiser's Conclusion

Based on the qualitative and quantitative analysis above, we are of the opinion that the Proposed Transaction is REASONABLE.

ADDITIONAL INFORMATION

If the shareholders wish to get additional information in regards to this Disclosure Information, shareholders may contact:

PT CHAROEN POKPHAND INDONESIA Tbk
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