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CHIA TAI ENTERPRISES INTERNATIONAL LIMITED

正大企業國際有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 3839)

**(1) SUPPLEMENTING THE TERMS OF AND INCREASING THE ANNUAL CAPS OF
EXISTING CONTINUING CONNECTED TRANSACTIONS
AND
(2) RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

On 30 July 2020, the Company entered into the 2020 Supplemental Purchase Agreements with CPP and HOEL to expand the categories of products which the CTEI Group may supply to the CPP Group and the HOEL Group from time to time under the 2017 Master Purchase Agreements.

Furthermore, the Company proposes to increase the original annual caps for the year ending 31 December 2020 under the 2017 Master Purchase Agreements (as supplemented by the 2020 Supplemental Purchase Agreements).

As the 2017 Master Purchase Agreements will expire on 31 December 2020, on 30 July 2020, the Company also entered into the 2020 Master CPP Purchase Agreement and the 2020 Master HOEL Purchase Agreement with CPP and HOEL respectively based on substantially the same terms and conditions as the 2017 Master Purchase Agreements (as supplemented by the 2020 Supplemental Purchase Agreements).

LISTING RULES IMPLICATIONS

As explained in the section “Listing Rules Implications” below, such transactions are treated as continuing connected transactions of the Company under the Listing Rules and are subject to certain compliance requirements under the Listing Rules, including approval by the Independent Shareholders.

SUPPLEMENTING THE TERMS OF AND INCREASING THE ANNUAL CAPS OF EXISTING CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 30 October 2017 and the circular of the Company dated 21 November 2017 relating to the 2017 Master CPP Purchase Agreement and the 2017 Master HOEL Purchase Agreement. The 2017 Master Purchase Agreements and the applicable annual caps thereunder were approved by the Independent Shareholders at a special general meeting of the Company held on 8 December 2017.

The CTEI Group is expanding its trading business and supplying a wider variety of products to its customers. Examples of these additional products include animal health products and other related products such as enzymes and acidifiers.

The Company understands from CPP and HOEL that the CPP Group and the HOEL Group both have business needs for some of such products and are interested to purchase them from the CTEI Group provided the commercial terms are acceptable. Accordingly, on 30 July 2020, the Company entered into the 2020 Supplemental CPP Purchase Agreement and the 2020 Supplemental HOEL Purchase Agreement with CPP and HOEL respectively, under which the parties agreed to revise the categories of products which the CTEI Group may supply from time to time to the CPP Group and the HOEL Group under the 2017 Master Purchase Agreements. As each of the expected amount of transactions for the Revised CTEI Products between the CTEI Group and the CPP Group and that between the CTEI Group and the HOEL Group may exceed the respective previously approved original annual caps with respect to the year ending 31 December 2020 for transactions under the 2017 Master Purchase Agreements, the Company also proposes to increase the respective annual caps for that year applicable to the 2017 Master Purchase Agreements (as supplemented by the 2020 Supplemental Master Purchase Agreements).

Key terms of the 2020 Supplemental Purchase Agreements and the proposed Revised Annual Caps for 2020 are set out below:

1. 2020 Supplemental CPP Purchase Agreement

Key Terms

(a) Date

30 July 2020

(b) Parties

(i) the Company (as supplier)

(ii) CPP (as purchaser)

(c) Subject matter

The expansion of the categories of products which may be supplied by the CTEI Group under the 2017 Master CPP Purchase Agreement to the Revised CTEI Products. All other terms of the 2017 Master CPP Purchase Agreement will remain in effect.

(d) Condition

The expansion of the categories of products referred to above is subject to the approval of the Independent Shareholders.

Revised CPP Annual Caps for 2020

For the year ending 31 December 2020	
<u>Original CPP Annual Cap</u>	<u>Revised CPP Annual Cap</u>
US\$4.4 million (approximately HK\$34.3 million)	US\$5.5 million (approximately HK\$42.9 million)

The Revised CPP Annual Cap for 2020 is determined with reference to:

- (i) the actual sales amount transacted with the CPP Group under the 2017 Master CPP Purchase Agreement in the five months ended 31 May 2020 (further detailed in the section headed “Renewal of Continuing Connected Transactions” of this announcement);
- (ii) the projected sales amount of the Revised CTEI Products to the CPP Group for the remaining part of the current financial year, especially of the additional categories of products included in the Revised CTEI Products;
- (iii) the prevailing market prices of the Revised CTEI Products, taking into account prices set by competitors; and
- (iv) an additional buffer of 5% above the projected sales amount of the Revised CTEI Products for the remaining part of the current financial year to take into account any unexpected increase in the demand for and/or the selling price of the Revised CTEI Products.

2. 2020 Supplemental HOEL Purchase Agreement

Key Terms

(a) Date

30 July 2020

(b) Parties

- (i) the Company (as supplier)
- (ii) HOEL (as purchaser)

(c) Subject matter

The expansion of the categories of products which may be supplied by the CTEI Group under the 2017 Master HOEL Purchase Agreement to the Revised CTEI Products. All other terms of the 2017 Master HOEL Purchase Agreement will remain in effect.

(d) Condition

The expansion of the categories of products referred to above is subject to the approval of the Independent Shareholders.

Revised HOEL Annual Caps for 2020

For the year ending 31 December 2020	
<u>Original HOEL Annual Cap</u>	<u>Revised HOEL Annual Cap</u>
US\$3.8 million (approximately HK\$29.6 million)	US\$7.8 million (approximately HK\$60.8 million)

The Revised HOEL Annual Cap for 2020 is determined with reference to:

- (i) the actual sales amount transacted with the HOEL Group under the 2017 Master HOEL Purchase Agreement in the five months ended 31 May 2020 (further detailed in the section headed “Renewal of Continuing Connected Transactions” of this announcement);
- (ii) the projected sales amount of the Revised CTEI Products to the HOEL Group for the remaining part of the current financial year, especially of the additional categories of products included in the Revised CTEI Products;
- (iii) the prevailing market prices of the Revised CTEI Products, taking into account prices set by competitors; and
- (iv) an additional buffer of 5% above the projected sales amount of the Revised CTEI Products for the remaining part of the current financial year to take into account any unexpected increase in the demand for and/or the selling price of the Revised CTEI Products.

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

The 2017 Master Purchase Agreements will expire on 31 December 2020. As the Company intends to continue the transactions contemplated thereunder, on 30 July 2020, the Company entered into the 2020 Master CPP Purchase Agreement and the 2020 Master HOEL Purchase Agreement with CPP and HOEL respectively based on substantially the same terms and conditions as the 2017 Master Purchase Agreements (as supplemented respectively by the 2020 Supplemental Purchase Agreements).

Key terms of the 2020 Master Purchase Agreements and the related proposed annual caps for the three years ended 31 December 2021, 2022 and 2023 respectively are set out below:

1. 2020 MASTER CPP PURCHASE AGREEMENT

(a) Date

30 July 2020

(b) Parties

- (i) the Company (as supplier)
- (ii) CPP (as purchaser)

(c) Subject matter

Sale and supply of the Revised CTEI Products to the CPP Group.

(d) Pricing policy

The pricing policy under the 2020 Master CPP Purchase Agreement is the same as that provided in the 2017 Master CPP Purchase Agreement. As a general principle, quantity and price of the Revised CTEI Products to be supplied to the CPP Group from time to time shall be determined through good faith negotiations between the CPP Group and the CTEI Group. Pricing of the Revised CTEI Products is determined based on a price list maintained by the CTEI Group which applies to all customers including independent third party customers as well as the CPP Group.

The above term of the 2020 Master CPP Purchase Agreement has been designed to ensure that the pricing terms are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Company and shall be no more favourable to the CPP Group than those offered to independent third party customers.

Prices of each category of the Revised CTEI Products set out in the price list are determined with reference to the cost of raw materials, procurement cost, other value added (for example, manufacturing and marketing), and profit margins which the CTEI Group considers appropriate for that category (taking into account market demand for that category of the Revised CTEI Products and prices offered by other suppliers for equivalent products). The price list for the Revised CTEI Products is approved by management of the CTEI Group through internal review meetings and is generally reviewed on a quarterly basis.

Any requests from sales personnel to deviate from the price list in relation to any specific order must comply with strict internal approval procedures before such order may be confirmed with the relevant customers (whether independent third party customers or the CPP Group), and discounts, if within a certain threshold, must be approved by the regional head of the CTEI Group's biochemical business or, beyond that threshold, by the head of the CTEI Group's biochemical business. Discounts offered to the CPP Group shall be no higher than those offered to independent third party customers for orders of similar type and quantity of the Revised CTEI Products.

(e) Payment terms

The CTEI Group will generally offer to the CPP Group credit terms of up to 90 days from delivery but may consider accepting credit terms of a longer period taking into account generally accepted market practice from time to time. Interest will be charged by the CTEI Group for any overdue payment.

(f) Term

Subject to the approval of the Independent Shareholders, the 2020 Master CPP Purchase Agreement shall take effect from 1 January 2021 and continue until 31 December 2023.

(g) Historical amount of CTEI Products supplied to the CPP Group

	For the financial year ended 31 December		For the five months ended
	<u>2018</u>	<u>2019</u>	<u>31 May 2020</u>
Sales of the CTEI Products under the 2017 Master CPP Purchase Agreement	US\$2.3 million (approximately HK\$17.9 million)	US\$3.0 million (approximately HK\$23.4 million)	US\$0.7 million (approximately HK\$5.5 million)

(h) Proposed annual caps

	For the financial year ended 31 December		
	<u>2021</u>	<u>2022</u>	<u>2023</u>
Proposed annual caps for sales of the Revised CPP Products under the 2020 Master CPP Purchase Agreement	US\$13.2 million (approximately HK\$103.0 million)	US\$14.2 million (approximately HK\$110.8 million)	US\$16.8 million (approximately HK\$131.0 million)

The above annual caps have been determined with reference to:

- (i) the amount of historical sales under the 2017 Master CPP Purchase Agreement to the CPP Group for each of the financial years ended 31 December 2018 and 31 December 2019 and the five months ended 31 May 2020;
- (ii) the projected sales of the Revised CTEI Products to the CPP Group for the remaining part of 2020;
- (iii) the prevailing market prices of the Revised CTEI Products, taking into account prices set by competitors;
- (iv) overall increase in actual sales to the CPP Group under the 2017 Master CPP Purchase Agreement for the two completed years since 1 January 2018;
- (v) the projected increase in sales of the Revised CTEI Products to the CPP Group during the three-year term of the 2020 Master CPP Purchase Agreement; and
- (vi) an additional buffer of 5% above the projected sales amount of each of 2021 to 2023 to take into account any unexpected increase in the demand for and/or the selling price of the Revised CTEI Products.

2. 2020 MASTER HOEL PURCHASE AGREEMENT

(a) Date

30 July 2020

(b) Parties

(i) the Company (as supplier)

(ii) HOEL (as purchaser)

(c) Subject matter

Sale and supply of the Revised CTEI Products to the HOEL Group.

(d) Pricing policy

The pricing policy under the 2020 Master HOEL Purchase Agreement is the same as that provided in the 2017 Master HOEL Purchase Agreement. As a general principle, quantity and price of the Revised CTEI Products to be supplied to the HOEL Group from time to time shall be determined through good faith negotiation between the HOEL Group and the CTEI Group. Pricing of the Revised CTEI Products is determined based on a price list maintained by the CTEI Group which applies to all customers including independent third party customers as well as the HOEL Group.

The above term of the 2020 Master HOEL Purchase Agreement has been designed to ensure that the pricing terms are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Company and shall be no more favourable to the HOEL Group than those offered to independent third party customers.

Prices of each category of the Revised CTEI Products set out in the price list are determined with reference to the cost of raw materials, procurement cost, other value added (for example, manufacturing and marketing), and profit margins which the CTEI Group considers appropriate for that category (taking into account market demand for that category of the Revised CTEI Products and prices offered by other suppliers for equivalent products). The price list for the Revised CTEI Products is approved by management of the CTEI Group through internal review meetings and is generally reviewed on a quarterly basis.

Any requests from sales personnel to deviate from the price list in relation to any specific order must comply with strict internal approval procedures before such order may be confirmed with the relevant customers (whether independent third party customers or the HOEL Group), and discounts, if within a certain threshold, must be approved by the regional head of the Company's biochemical business or, beyond that threshold, by an executive Director. Discounts offered to the HOEL Group shall be no higher than those offered to the independent third party customers for orders of similar type and quantity of the Revised CTEI Products.

(e) Payment terms

The CTEI Group will generally offer to the HOEL Group credit terms of up to 90 days from delivery but may consider accepting credit terms of a longer period taking into account generally accepted market practice from time to time. Interest will be charged by the CTEI Group for any overdue payment.

(f) Term

Subject to the approval of the Independent Shareholders, the 2020 Master HOEL Purchase Agreement shall take effect from 1 January 2021 and continue until 31 December 2023.

(g) Historical amount of CTEI Products supplied to the HOEL Group

	For the financial year ended 31 December		For the five months ended
	<u>2018</u>	<u>2019</u>	<u>31 May 2020</u>
Sales of the CTEI Products under the 2017 Master HOEL Purchase Agreement	US\$2.4 million (approximately HK\$18.7 million)	US\$2.8 million (approximately HK\$21.8 million)	US\$1.5 million (approximately HK\$11.7 million)

(h) Proposed annual caps

	For the financial year ended 31 December		
	<u>2021</u>	<u>2022</u>	<u>2023</u>
Proposed annual caps for sales of the Revised CTEI Products under the 2020 Master HOEL Purchase Agreement	US\$15.4 million (approximately HK\$120.1 million)	US\$17.7 million (approximately HK\$138.1 million)	US\$21.0 million (approximately HK\$163.8 million)

The above annual caps have been determined with reference to:

- (i) the amount of historical sales under the 2017 Master HOEL Purchase Agreement to the HOEL Group for each of the financial years ended 31 December 2018 and 31 December 2019 and the five months ended 31 May 2020;
- (ii) the projected sales of the Revised CTEI Products to the HOEL Group for the remaining part of 2020;
- (iii) the prevailing market prices of the Revised CTEI Products, taking into account prices set by competitors;
- (iv) overall increase in actual sales to the HOEL Group under the 2017 Master HOEL Purchase Agreement for the two completed years since 1 January 2018;
- (v) the projected increase in sales of the Revised CTEI Products to the HOEL Group during the three-year term of the 2020 Master HOEL Purchase Agreement; and

- (vi) an additional buffer of 5% above the projected sales amount of each of 2021 to 2023 to take into account any unexpected increase in the demand for and/or the selling price of the Revised CTEI Products.

INFORMATION ON THE PARTIES

The Company is an investment holding company. The CTEI Group and its joint venture and associate are principally involved in (i) manufacturing and/or sale of chlortetracycline and other related products; (ii) trading of machinery; and (iii) manufacturing and sale of automotive parts respectively.

CPP is an investment holding company and its subsidiaries are principally engaged, in the PRC and Vietnam, in (i) manufacture and sale of animal feed products, (ii) breeding, farming and sale of livestock and aquatic animals, and (iii) manufacture and sale of food products.

HOEL is an investment holding company and is indirectly wholly-owned by CPG. The HOEL Group includes companies principally engaged in agri-food business.

REASONS FOR AND BENEFITS OF SUPPLEMENTING THE TERMS OF AND INCREASING THE ANNUAL CAPS OF EXISTING CONTINUING CONNECTED TRANSACTIONS AND RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

The Directors are of the view that, upon approval by the Independent Shareholders:

- (a) the 2020 Supplemental Purchase Agreements will allow the CTEI Group to supply the Revised CTEI Products to the CPP Group and the HOEL Group, thereby extending the categories of products that the CTEI Group can supply under these agreements and generating increased sales for the CTEI Group during the financial year ended 31 December 2020; and
- (b) the 2020 Master Purchase Agreements will enable the CTEI Group to continue to supply the Revised CTEI Products to the CPP Group and the HOEL Group and thereby generate increased sales for the CTEI Group.

The Board considered that each of Mr. Soopakij Chearavanont, Mr. Thirayut Phityaisarakul, Mr. Thanakorn Seriburi, Mr. Nopadol Chiaravanont, Mr. Yoichi Ikezoe and Mr. Cheng Yuk Wo had a material interest in the 2020 Supplemental CPP Purchase Agreement, the 2020 Master CPP Purchase Agreement and the transactions thereunder, because:

- (i) Mr. Soopakij Chearavanont (chairman and non-executive Director) is also chairman of the board and an executive director of CPP, Mr. Yoichi Ikezoe is also a non-executive director of CPP and Mr. Cheng Yuk Wo is also an independent non-executive director of CPP; and
- (ii) Mr. Thirayut Phityaisarakul, Mr. Thanakorn Seriburi and Mr. Nopadol Chiaravanont (each an executive Director) are shareholders of CPG,

Accordingly, Mr. Soopakij Chearavanont, Mr. Thirayut Phityaisarakul, Mr. Thanakorn Seriburi, Mr. Nopadol Chiaravanont, Mr. Yoichi Ikezoe and Mr. Cheng Yuk Wo, who attended the Board meeting held for considering these matters, had abstained from voting on the resolutions relating to the 2020 Supplemental CPP Purchase Agreement and the 2020 Master CPP Purchase Agreement.

The Board also considered that each of Mr. Soopakij Chearavanont (chairman and non-executive Director), Mr. Thirayut Phityaisarakul, Mr. Thanakorn Seriburi and Mr. Nopadol Chiaravanont (each an executive Director), who attended the Board meeting held for considering the 2020 Supplemental HOEL Purchase Agreement and the 2020 Master HOEL Purchase Agreement and the transactions thereunder, had a material interest in view of their respective shareholdings in CPG and accordingly they abstained from voting on the resolutions relating to the 2020 Supplemental HOEL Purchase Agreement and the 2020 Master HOEL Purchase Agreement.

Save as disclosed above, none of the other Directors who attended the relevant Board meeting had a material interest in the relevant transactions and was required to abstain from voting on the board resolutions for approving the 2020 Supplemental Purchase Agreements and the 2020 Master Purchase Agreements.

The Board (excluding those directors referred to above who abstained from voting and those of the independent non-executive Directors comprising the Independent Board Committee who will provide their advice after having received the advice from the independent financial adviser) are of the opinion that the 2020 Supplemental Purchase Agreements, the 2020 Master Purchase Agreements and the transactions thereunder (including the corresponding Revised Annual Caps for 2020 and the proposed annual caps in relation to transactions under the 2020 Master Purchase Agreements) are on normal commercial terms, entered into in the ordinary and usual course of business of the CTEI Group, and that their terms are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CPF is interested in approximately 47.8% of the Shares in issue and is therefore the controlling shareholder of the Company. CPF is also interested in approximately 49.7% of the total issued share capital of CPP. Companies in the CPP Group are therefore associates of CPF and connected persons of the Company under the Listing Rules. Transactions between the CTEI Group and the CPP Group under the 2020 Supplemental CPP Purchase Agreement and the 2020 Master CPP Purchase Agreement therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Furthermore, approximately 48.4% of CPF's issued share capital is held by CPG. Due to CPG's near majority shareholding in CPF, the Company and CPG have agreed to treat CPG as a substantial shareholder of the Company and its subsidiaries (including HOEL which is its indirect wholly-owned subsidiary) and their respective associates as connected persons of the Company within the meaning of the Listing Rules. Therefore, transactions between the CTEI Group and the HOEL Group under the 2020 Supplemental HOEL Purchase Agreement and the 2020 Master HOEL Purchase Agreement are treated as if they are continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios under Rule 14.07 of the Listing Rules for the Revised Annual Caps for 2020 under the 2020 Supplemental Purchase Agreements and those percentage ratios for the proposed annual caps under the 2020 Master Purchase Agreements in aggregate are in each case more than 5%, the entry into the 2020 Supplemental Purchase Agreements, the 2020 Master Purchase Agreements and the transactions thereunder (including the corresponding Revised Annual Caps for 2020 and the proposed annual caps in relation to transactions under the 2020 Master Purchase Agreements) are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will convene the SGM to consider and, if thought fit, approve the entry into the 2020 Supplemental Purchase Agreements, the 2020 Master Purchase Agreements and the transactions thereunder (including the corresponding Revised Annual Caps for 2020 and the proposed annual caps in relation to transactions under the 2020 Master Purchase Agreements). CPG, CPF and their associates will abstain from voting at the SGM in respect of each of the resolutions on these matters.

The Independent Board Committee has been established to consider the entry into the 2020 Supplemental Purchase Agreements, the 2020 Master Purchase Agreements and the transactions thereunder (including the corresponding Revised Annual Caps for 2020 and the proposed annual caps in relation to transactions under the 2020 Master Purchase Agreements). Ballas Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the 2020 Supplemental Purchase Agreements and the 2020 Master Purchase Agreements and the transactions thereunder (including the corresponding Revised Annual Caps for 2020 and the proposed annual caps in relation to transactions under the 2020 Master Purchase Agreements) are fair and reasonable, on normal commercial terms, entered into in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole. The Independent Board Committee comprises Mr. Surasak Rounroengrom, Mr. Cheng Yuk Wo and Mr. Edward Ko Ming Tung, each an independent non-executive Director. In the case of Mr. Cheng Yuk Wo, who is also an independent non-executive director of CPP, apart from having abstained from voting at the relevant Board meeting on the relevant resolutions relating to the 2020 Supplemental CPP Purchase Agreement, the 2020 Master CPP Purchase Agreement and the related proposed annual caps, he will also abstain from voting and taking part in any discussions in relation to the same matters at any Independent Board Committee meeting. However, Mr. Cheng will vote on and take part on discussions in relation to the 2020 Supplemental HOEL Purchase Agreement, the 2020 Master HOEL Purchase Agreement and the related proposed annual caps.

A circular containing, among other things, (i) further information regarding supplementing the terms of and increasing the annual caps of existing continuing connected transactions and renewal of the continuing connected transactions; (ii) the recommendation of Independent Board Committee to the Independent Shareholders in respect of the entry into the 2020 Supplemental Purchase Agreements, the 2020 Master Purchase Agreements and the transactions thereunder (including the corresponding Revised Annual Caps for 2020 and the proposed annual caps in relation to transactions under the 2020 Master Purchase Agreements) and a related letter from the independent financial adviser containing the advice to the Independent Board Committee and the Independent Shareholders; and (iii) a notice convening the SGM, which is expected to be dispatched to the Shareholders on or before 20 August 2020.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“2017 Master CPP Purchase Agreement”	the master agreement dated 30 October 2017 made between the Company as supplier and CPP as purchaser for the supply by the CTEI Group of the CTEI Products with a term of three years from 1 January 2018 until 31 December 2020
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“2017 Master HOEL Purchase Agreement”	the master agreement dated 30 October 2017 made between the Company as supplier and HOEL as purchaser for the supply by the CTEI Group of the CTEI Products with a term of three years from 1 January 2018 until 31 December 2020
“2017 Master Purchase Agreements”	collectively, the 2017 Master CPP Purchase Agreement and the 2017 Master HOEL Purchase Agreement
“2020 Master CPP Purchase Agreement”	the master agreement dated 30 July 2020 made between the Company as supplier and CPP as purchaser for the supply by the CTEI Group of the Revised CTEI Products with a term of three years from 1 January 2021 until 31 December 2023
“2020 Master HOEL Purchase Agreement”	the master agreement dated 30 July 2020 made between the Company as supplier and HOEL as purchaser for the supply by the CTEI Group of the Revised CTEI Products with a term of three years from 1 January 2021 until 31 December 2023
“2020 Master Purchase Agreements”	collectively, the 2020 Master CPP Purchase Agreement and the 2020 Master HOEL Purchase Agreement
“2020 Supplemental CPP Purchase Agreement”	the supplemental agreement dated 30 July 2020 entered into between the Company and CPP to revise a term of the 2017 Master CPP Purchase Agreement
“2020 Supplemental HOEL Purchase Agreement”	the supplemental agreement dated 30 July 2020 entered into between the Company and HOEL to revise a term of the 2017 Master HOEL Purchase Agreement
“2020 Supplemental Purchase Agreements”	collectively, the 2020 Supplemental CPP Purchase Agreement and the 2020 Supplemental HOEL Purchase Agreement
“associates”	has the meaning ascribed to this term in the Listing Rules
“Board”	the board of Directors of the Company
“Company”	Chia Tai Enterprises International Limited, an exempted company incorporated in Bermuda whose Shares are listed and traded on the Main Board of the Stock Exchange under stock code 3839
“connected persons”	has the meaning ascribed to this term in the Listing Rules
“controlling shareholder”	has the meaning ascribed to this term in the Listing Rules
“CPF”	Charoen Pokphand Foods Public Company Limited, a company incorporated in the Kingdom of Thailand whose shares are listed and traded on the Stock Exchange of Thailand

“CPG”	Charoen Pokphand Group Company Limited, a company incorporated in the Kingdom of Thailand which has a diverse shareholding structure with more than 80 shareholders, the largest shareholder being a company holding not more than 13% of its shares and the ultimate beneficial owner of which is Mr. Sumet Jiaravanon
“CPP”	C.P. Pokphand Co. Ltd., an exempted company incorporated in Bermuda whose ordinary shares are listed and traded on the Main Board of the Stock Exchange under stock code 43
“CPP Group”	CPP and its subsidiaries from time to time
“CTEI Group”	the Company and its subsidiaries from time to time
“CTEI Products”	various chlortetracycline products and such animal drugs (including any antibiotics) produced by the CTEI Group
“Directors”	the directors of the Company
“HOEL”	High Orient Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability
“HOEL Group”	HOEL and other associates of CPG, but excluding the CPP Group and the CTEI Group
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	an independent committee of the Board, which comprises all the independent non-executive Directors, established to advise the Independent Shareholders in respect of supplementing the terms of and increasing the annual caps of existing continuing connected transactions and renewal of the continuing connected transactions
“Independent Shareholders”	the Shareholders other than CPG, CPF and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Original CPP Annual Cap for 2020”	the annual cap for the total of the continuing connected transactions under the 2017 Master CPP Purchase Agreement for the financial year ending 31 December 2020 which was part of the annual caps approved at the special general meeting of the Company held on 8 December 2017

“Original HOEL Annual Cap for 2020”	the annual cap for the total of the continuing connected transactions under the 2017 Master HOEL Purchase Agreement for the financial year ending 31 December 2020 which was part of the annual caps approved at the special general meeting of the Company held on 8 December 2017
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Revised Annual Caps for 2020”	collectively, the Revised CPP Annual Cap for 2020 and the Revised HOEL Annual Cap for 2020
“Revised CPP Annual Cap for 2020”	the proposed revised annual cap for the total amount of the continuing connected transactions under the 2017 Master CPP Purchase Agreement as supplemented by the 2020 Supplemental CPP Purchase agreement for the financial year ending 31 December 2020
“Revised CTEI Products”	various chlortetracycline products, animal drugs, animal health products and other related products produced and/or sold by the CTEI Group
“Revised HOEL Annual Cap for 2020”	the proposed revised annual cap for the total amount of the continuing connected transactions under the 2017 Master HOEL Purchase Agreement as supplemented by the 2020 Supplemental HOEL Purchase agreement for the financial year ending 31 December 2020
“SGM”	a special general meeting of the Company to be held to consider and, if thought fit, approve the entry into the 2020 Supplemental Purchase Agreements, the 2020 Master Purchase Agreements and the transactions thereunder (including the corresponding Revised Annual Caps for 2020 and the proposed annual caps in relation to transactions under the 2020 Master Purchase Agreements)
“Shareholders”	holders of Shares from time to time
“Shares”	ordinary shares of US\$0.1 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to this term in the Listing Rules

“US\$” United States dollars, the lawful currency of the United States of America

“%” per cent

By order of the Board
Thanakorn Seriburi
Director

Note: For the purpose of this announcement, the exchange rate for the conversion of US\$ into HK\$ for indication only is: US\$1.0 = HK\$7.8.

Hong Kong, 30 July 2020

As at the date of this announcement, the Board comprises Mr. Soopakij Chearavanont (chairman and non-executive director), Mr. Thirayut Phityaisarakul, Mr. Thanakorn Seriburi, Mr. Nopadol Chiaravanont, Mr. Chawalit Na Muangtoun (executive directors), Mr. Yoichi Ikezoe (non-executive director), Mr. Surasak Rounroengrom, Mr. Cheng Yuk Wo and Mr. Edward Ko Ming Tung (independent non-executive directors).