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CHIA TAI ENTERPRISES INTERNATIONAL LIMITED

正大企業國際有限公司

(Incorporated in Bermuda with members' limited liability)

(Stock Code: 3839)

CONNECTED TRANSACTIONS CONSTRUCTION CONTRACT AND PROJECT MANAGEMENT CONTRACT FOR A NEW FERMENTATION FACILITY

On 16 March 2026, Zhumadian Huazhong CT, a 69.7%-owned subsidiary of the Company, entered into the following contracts to build a new fermentation facility in Zhumadian City, Henan Province, the PRC:

- (i) the Construction Contract – engage CSCEC-CP as the contractor for the construction and related works of the new fermentation facility; and
- (ii) the Project Management Contract – appoint Chia Tai Handing as the project manager for the management of the aforesaid project.

LISTING RULES IMPLICATIONS

As explained in the section headed “Listing Rules Implications” below, the transactions contemplated under each of the Construction Contract and the Project Management Contract are treated as if they are connected transactions of the Company under the Listing Rules, and are subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and the independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

CONSTRUCTION CONTRACT AND PROJECT MANAGEMENT CONTRACT

On 16 March 2026, Zhumadian Huazhong CT, a 69.7%-owned subsidiary of the Company, entered into the Construction Contract and the Project Management Contract to build a new fermentation facility in Zhumadian City, Henan Province, the PRC. The key terms of the respective contracts are set out below.

Construction Contract

Parties

- (i) Zhumadian Huazhong CT (as project developer)
- (ii) CSCEC-CP (as project contractor)

Scope of Services

CSCEC-CP shall be responsible for the construction and related works for the new fermentation facility with a total construction area of approximately 14,000 sq.m, including fermentation and extraction facilities, guardhouse, and site infrastructure works.

Contract Sum

The total contract sum is a fixed lump sum of RMB28.9 million (approximately US\$4.2 million), including tax and safe and civilized construction fee.

Construction Period and Completion

The construction period is approximately 180 calendar days, commencing from the date of issue of the construction permit. Certain completion acceptance procedures shall be in place to certify completion of the construction works.

Payment Terms

The contract sum is payable in cash, in accordance with the progress of the construction in the following manners:

- (i) Payment of RMB 420,000 (not less than 60% of the safe and civilized construction fee) within 28 days of the commencement of work;
- (ii) Upon completion of the foundations for the fermentation and extraction facilities, another 20% of the total contract sum shall be paid;
- (iii) Upon completion of the main structure of the fermentation and extraction facilities, another 40% of the total contract sum shall be paid;
- (iv) Upon completion of the decoration, renovation, gatehouse and connecting corridors, landscaping, outdoor pipelines and roads, and civil engineering finishing work of the fermentation and extraction facilities, up to 80% of the total contract sum shall be paid; and
- (v) Upon completion, final acceptance and settlement of the overall project, and the provision of a quality assurance of 3% of the total contract sum in the form of a bank guarantee, up to 100% of the total contract sum shall be paid.

The contract sum will be funded by the Group's internal resources.

Defects liability period

The defects liability period for the works shall be two years from the date of satisfactory completion and acceptance of the works. CSCEC-CP shall provide a quality assurance deposit of 3% of the total contract sum in the form of a bank guarantee upon completion and acceptance of the works.

Project Management Contract

Parties

- (i) Zhumadian Huazhong CT (as project developer)
- (ii) Chia Tai Handing (as project manager)

Scope of Services

Chia Tai Handing shall be responsible for the project management including the project's progress, quality, investment, safety, and contract management of the construction of the new fermentation facility.

Contract Period

The term of the Project Management Contract starts from the date of the Project Management Contract and ends upon the completion of the project handover procedures between Chia Tai Handing and Zhumadian Huazhong CT and the final payment of the project management fee, which is expected to last to the end of October 2026.

Project Management Fee

The project management fee is equivalent to 3% of the total project cost and capped at RMB6.3 million (approximately US\$0.9 million).

Payment Terms

The project management fee is payable in cash, in accordance with the progress of the construction in the following manners:

- (i) Within 7 days of signing the Project Management Contract, 30% of the estimated project management fee shall be paid;
- (ii) Within 7 days of the acceptance of the main structure of the workshop, another 30% of the estimated project management fee shall be paid;
- (iii) Upon completion and acceptance of the construction and equipment installation, another 30% of the estimated project management fee shall be paid; and
- (iv) within 7 days of the overall completion acceptance of the project and the confirmation of the project management fee settlement report, up to 100% of the project management fee shall be paid.

The project management fee will be funded by the Group's internal resources.

INFORMATION ON PARTIES

The Company is an investment holding company. The Group is principally engaged in the manufacture and/or sale of animal health products and chlortetracycline. Additionally, the Group is also involved, through its joint venture and associated company, in the trading of machinery and the manufacture and sale of automotive parts.

Zhumadian Huazhong CT is a 69.7%-owned subsidiary of the Company and incorporated in the PRC. It is principally engaged in the manufacture and/or sale of animal health products and chlortetracycline.

CSCEC-CP is a joint venture which is 50% owned by CPG and 50% owned by CSCEC. It is principally engaged in construction engineering, sale of construction materials and construction advisory services.

Chia Tai Handing is a subsidiary of CPG and is principally engaged in management advisory, project management and technical advisory business for development projects in the PRC.

REASONS FOR AND BENEFITS OF THE CONSTRUCTION CONTRACT AND PROJECT MANAGEMENT CONTRACT

To expand the biotech business of the Group in China, Zhumadian Huazhong CT decided to build a new fermentation facility at Zhumadian City, Henan Province. The new fermentation facility will be used for the production of chlortetracycline, thereby expanding the Group's production capacity. The purpose of entering into the Construction Contract and Project Management Contract is to leverage on the expertise of CSCEC-CP and Chia Tai Handing to help Zhumadian Huazhong CT in building a new fermentation facility for its ordinary business operations.

Zhumadian Huazhong CT conducted public tenders for the Construction Contract to select and appoint the appropriate contractor to build its new fermentation facility. Bidders were assessed based on their scores achieved using a number of selection criteria including price, know-how, capabilities, commitment, personnel and experience. Amongst the bids submitted by CSCEC-CP and four independent third parties for the Construction Contract, CSCEC-CP achieved the highest score. Accordingly, the Construction Contract was awarded to CSCEC-CP. CSCEC-CP has good reputation in the construction industry in China and the Group considered that CSCEC-CP is a reliable construction contractor.

Meanwhile, it is a common practice that an experienced construction project manager be engaged by the project developer to manage and supervise projects of such nature, covering the construction works, equipment installation and fitting out of the plant, etc. For the Project Management Contract, Zhumadian Huazhong CT shortlisted project managers based on their qualification, relevant project management experience and professional team capability, invited suitably qualified project managers to provide quotations and obtained quotations from Chia Tai Handing and four independent third parties. The Project Management Contract was awarded to Chia Tai Handing as it offered the lowest price. By engaging Chia Tai Handing as the project manager to be in charge of the management and supervision of the construction project, the Group may better control the project's schedule, quality, cost and safety.

Of those Directors who attended the relevant board meeting of the Company, Mr. Soopakij Chearavanont, Mr. Thirayut Phityaisarakul and Mr. Nopadol Chiaravanont (collectively, the “Interested Directors”) each had a material interest in the Construction Contract and the Project Management Contract in view of their respective shareholding interest in CPG, and had therefore abstained from voting on the Board resolutions for approving the Construction Contract and the Project Management Contract.

Save as disclosed above, none of the other Directors who attended the relevant Board meeting was considered to have a material interest in the transactions contemplated under each of the Construction Contract and the Project Management Contract, and hence none of the other Directors abstained from voting on the Board resolutions for approving the Construction Contract and the Project Management Contract.

The Directors (including the independent non-executive Directors but excluding the Interested Directors) believe that each of the Construction Contract and the Project Management Contract is on normal commercial terms and has been entered into in the ordinary and usual course of business of the Group, and that the terms of each of the Construction Contract and the Project Management Contract are fair and reasonable and that the transactions are in the best 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 47.83% of the Shares in issue and CPG holds approximately 44.45% of the issued share capital of CPF. 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 accordingly CPG, CPG’s subsidiaries and their respective associates are treated as connected persons of the Company within the meaning of the Listing Rules. As (i) CSCEC-CP is 50% owned by CPG and (ii) Chia Tai Handing is a subsidiary of CPG, the transactions contemplated under each of the Construction Contract and the Project Management Contract are treated as if they are connected transactions of the Company under Chapter 14A of the Listing Rules.

As at least one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under each of the Construction Contract and the Project Management Contract are more than 0.1% but less than 5%, the transactions under the Construction Contract and the Project Management Contract are subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and the independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to this term in the Listing Rules
“Board”	the board of Directors of the Company
“Chia Tai Handing”	正大漢鼎現代農業科技有限公司 (Chia Tai Handing Modern Agricultural Technology Co., Ltd.^) (formerly known as 正大漢鼎工程管理有限公司 (Chia Tai Handing Engineering Management Co., Ltd.^)), a company incorporated in the PRC and a wholly-owned subsidiary of CPG
“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 person(s)”	has the meaning ascribed to this term in the Listing Rules
“Construction Contract”	the contract dated 16 March 2026 entered into between Zhumadian Huazhong CT and CSCEC-CP, under which CSCEC-CP is appointed as the contractor for the construction and related works of the new fermentation facility being built by Zhumadian Huazhong CT
“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 of which is a company holding not more than 13% of its shares and the ultimate beneficial owner of which is Mr. Sumet Jiaravanon
“CSCEC”	中國建築集團有限公司 (China State Construction Engineering Corporation^), a state-owned enterprise established and administrated by State-owned Assets Supervision and Administration Commission of the State Council of the PRC. It is a conglomerate principally engaged in building construction, international contracting, real estate development and investment, infrastructure construction and investment and design and prospecting.
“CSCEC-CP”	中建正大科技有限公司 (CSCEC-CP Science & Technology Co., Ltd.), a limited liability company incorporated in the PRC and a joint venture which is 50% owned by CPG and 50% owned by CSCEC

“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Project Management Contract”	the contract dated 16 March 2026 entered into between Zhumadian Huazhong CT and Chia Tai Handing, under which Chia Tai Handing is appointed as the project manager to carry out management of the construction of the new fermentation facility being built by Zhumadian Huazhong CT
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) 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
“US\$”	United States dollars, the lawful currency of the United States of America
“Zhumadian Huazhong CT”	駐馬店華中正大有限公司 (Zhumadian Huazhong Chia Tai Co., Ltd.^), a company incorporated in the PRC and a 69.7%-owned subsidiary of the Company

[^] For identification purpose only.

By Order of the Board
Chawalit Na Muangtoun
Director

Note: For the purpose of this announcement, the exchange rate for the conversion of RMB into US\$ for indication only is: US\$1.0 = RMB6.85.

Hong Kong, 16 March 2026

As at the date of this announcement, the Board comprises Mr. Soopakij Chearavanont (Chairman and Executive Director), Mr. Thirayut Phityaisarakul, Mr. Nopadol Chiaravanont, Mr. Chawalit Na Muangtoun (each an Executive Director), Ms. Kobboon Srichai, Mr. Yoichi Ikezoe (each a Non-executive Director), Mr. Surasak Rounroengrom, Mr. Cheng Yuk Wo, Mr. Edward Ko Ming Tung and Ms. Cheung Marn Kay (each an Independent Non-executive Director).