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CPBIO HOLDING COMPANY LIMITED

正大生物控股有限公司

(Incorporated in Bermuda with members' limited liability)

(Stock Code: 3839)

CONTINUING CONNECTED TRANSACTIONS

THE 2026 MASTER HOEL PURCHASE AGREEMENT

Reference is made to (i) the announcement and the circular of the Company dated 14 September 2023 and 27 October 2023, respectively relating to, among other things, the 2023 Master HOEL Purchase Agreement and (ii) the announcement and the circular of the Company dated 27 March 2025 and 12 May 2025, respectively relating to, among other things, the revision of the 2025 and 2026 annual caps under the 2023 Master HOEL Purchase Agreement.

The 2023 Master HOEL Purchase Agreement will expire on 31 December 2026. As the Company intends to continue the transactions contemplated thereunder, on 11 August 2026, the Company entered into the 2026 Master HOEL Purchase Agreement with HOEL based on substantially the same terms and conditions as the 2023 Master HOEL Purchase Agreement.

THE 2026 MASTER CPF (INDIA) SUPPLY AGREEMENT

On 11 August 2026, the Company entered into the 2026 Master CPF (India) Supply Agreement with CPF (India), pursuant to which CPF (India) has agreed to supply, and the CPBIO Group has agreed to purchase the CPF Products during the term of the agreement.

LISTING RULES IMPLICATIONS

As explained in the section "Listing Rules Implications" below, (i) the transactions contemplated under the 2026 Master HOEL Purchase Agreement are 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; and (ii) the transactions contemplated under the 2026 Master CPF (India) Supply Agreement are continuing 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.

THE 2026 MASTER HOEL PURCHASE AGREEMENT

Reference is made to (i) the announcement and the circular of the Company dated 14 September 2023 and 27 October 2023, respectively relating to, among other things, the 2023 Master HOEL Purchase Agreement and (ii) the announcement and the circular of the Company dated 27 March 2025 and 12 May 2025, respectively relating to, among other things, the revision of 2025 and 2026 annual caps under the 2023 Master HOEL Purchase Agreement.

The 2023 Master HOEL Purchase Agreement will expire on 31 December 2026. As the Company intends to continue the transactions contemplated thereunder, on 11 August 2026, the Company entered into the 2026 Master HOEL Purchase Agreement with HOEL based on substantially the same terms and conditions as the 2023 Master HOEL Purchase Agreement.

Key terms of the 2026 Master HOEL Purchase Agreement and the related proposed annual caps for the three years ending 31 December 2027, 2028 and 2029 respectively are set out below:

(a) Date

11 August 2026

(b) Parties

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

(c) Subject matter

Sale and supply of the CPBIO Products to the HOEL Group.

(d) Pricing policy

The pricing policy under the 2026 Master HOEL Purchase Agreement is the same as that provided in the 2023 Master HOEL Purchase Agreement. As a general principle, quantity and price of the CPBIO 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 CPBIO Group. Pricing of the CPBIO Products is determined based on a price list maintained by the CPBIO Group which applies to all customers including independent third party customers as well as the HOEL Group.

The above term of the 2026 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 CPBIO 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 CPBIO Group considers appropriate for that category (taking into account market demand for that category of the CPBIO Products and prices offered by other suppliers for equivalent products). The price list for the CPBIO Products is approved by management of the CPBIO Group through internal review meetings and is reviewed periodically.

Requests from sales personnel to deviate from the price list in relation to a specific order should comply with internal approval procedures before such order may be confirmed with the relevant customers (whether independent third party customers or the HOEL Group), and discounts should be approved by the head of the Company's biotech business. 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 CPBIO Products.

(e) Payment terms

The CPBIO Group would 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 would be charged by the CPBIO Group on overdue payment.

(f) Term

Subject to the approval of the Independent Shareholders, the 2026 Master HOEL Purchase Agreement shall take effect from 1 January 2027 and continue until 31 December 2029.

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

	For the financial year ended 31 December		For the six months ended
	<u>2024</u>	<u>2025</u>	30 June <u>2026</u>
Sales of the CPBIO Products under the 2023 Master HOEL Purchase Agreement	US\$160.3 million (approximately HK\$1,250.3 million)	US\$327.6 million (approximately HK\$2,555.3 million)	US\$101.1 million (approximately HK\$788.6 million)

(h) Proposed annual caps

	For the financial year ending 31 December		
	<u>2027</u>	<u>2028</u>	<u>2029</u>
Proposed annual caps for sales of the CPBIO Products under the 2026 Master HOEL Purchase Agreement	US\$562.1 million (approximately HK\$4,384.4 million)	US\$656.3 million (approximately HK\$5,119.1 million)	US\$729.1 million (approximately HK\$5,687.0 million)

The above annual caps have been determined with reference to:

- (i) the amount of historical sales under the 2023 Master HOEL Purchase Agreement for each of the financial years ended 31 December 2024 and 31 December 2025 and the six months ended 30 June 2026;
- (ii) the projected sales of the CPBIO Products to the HOEL Group for the remaining part of 2026 and from 2027 to 2029, taking into account the expected growth in business and demand from the HOEL Group. According to preliminary discussions on business development and planning between the HOEL Group and the CPBIO Group, the HOEL Group is expected to continue to expand its animal feed and farming businesses in the remaining part of 2026 and from 2027 to 2029, thereby increasing its potential demand for the CPBIO Products. The CPBIO Group will also continue to broaden its animal health product offering to the HOEL Group, resulting in an increase in projected sales of the CPBIO Products to the HOEL Group. In addition, the CPBIO Group intends to expand sales to the HOEL Group's overseas subsidiaries, contributing to further increase in the projected sales of the CPBIO Products to the HOEL Group;
- (iii) the prevailing market prices of the CPBIO Products, taking into account prices set by competitors; and
- (iv) an additional buffer of 5% above the projected sales amount of each of 2027 to 2029 to take into account any unexpected increase in the demand for and/or the selling price of the CPBIO Products.

THE 2026 MASTER CPF (INDIA) SUPPLY AGREEMENT

On 11 August 2026, the Company entered into the 2026 Master CPF (India) Supply Agreement with CPF (India), pursuant to which CPF (India) has agreed to supply, and the CPBIO Group has agreed to purchase the CPF Products during the term of the agreement.

Key terms of the 2026 Master CPF (India) Supply Agreement and the related proposed annual caps for the three years ending 31 December 2026, 2027 and 2028 respectively are set out below:

(a) Date

11 August 2026

(b) Parties

- (i) the Company (as purchaser)
- (ii) CPF (India) (as supplier)

(c) Subject matter

Purchase of the CPF Products by the CPBIO Group from CPF (India).

(d) Pricing policy

As a general principle, the price and terms of individual orders in respect of the purchase of the CPF Products by the CPBIO Group from CPF (India) will be on normal commercial terms, negotiated on an arm's length basis, on similar basis as the CPBIO Group transacts business with independent third party suppliers and on terms which are no less favorable to the CPBIO Group than those provided from independent third party suppliers.

The CPBIO Group shall compare the quote from CPF (India) with quotes from at least two independent third party suppliers for the similar volume of the same or similar products of comparable standards and decide to purchase from which supplier. The process is to ensure that the price for the same volume of the same or similar CPF Products offered by CPF (India) will not be higher than those offered by independent third party suppliers.

(e) Payment terms

CPF (India) would generally offer to the CPBIO Group credit terms of up to 45 days from delivery or other credit terms generally available in the market from time to time. Interest would be charged by CPF (India) on overdue payment.

(f) Term

The 2026 Master CPF (India) Supply Agreement shall take effect immediately and continue until 31 December 2028.

(g) Historical amount of the CPF Products purchased from CPF (India)

	For the financial year ended <u>31 December 2025</u>	For the six months ended <u>30 June 2026</u>
Historical amounts of CPF Products purchased from CPF (India)	US\$0.04 million (approximately HK\$0.3 million)	US\$0.2 million (approximately HK\$1.7 million)

(h) Proposed annual caps

	For the financial year ending 31 December		
	<u>2026</u> (Note)	<u>2027</u>	<u>2028</u>
Proposed annual caps for purchase of the CPF Products under the 2026 Master CPF (India) Supply Agreement	US\$1.5 million (approximately HK\$11.7 million)	US\$2.0 million (approximately HK\$15.6 million)	US\$2.6 million (approximately HK\$20.3 million)

Note: This amount includes the historical amount of the CPF Products purchased from CPF (India) from 1 January 2026.

The above annual caps have been determined with reference to (i) the value of the historical purchases for the financial year ended 31 December 2025 and the six months ended 30 June 2026; (ii) the projected increase in the overall purchase volume of the CPF Products from CPF (India) for the remaining part of 2026 and each for the financial years ending 31 December 2027 and 2028, taking into account the expected growth in business and demand from the CPBIO Group; and (iii) an additional buffer of 5% above the projected purchase volume of the CPF Products to take into account any unexpected increase in the demand for and/or the selling price of the CPF Products.

INFORMATION ON THE PARTIES

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

HOEL is an investment holding company and is indirectly wholly-owned by CPG. The HOEL Group includes companies principally engaged in animal feed and farming businesses. The CPBIO Products are used to prevent or cure animal diseases and mainly used by the HOEL Group in its animal feed and farming businesses.

CPF (India) is a company incorporated in the Republic of India with limited liability and is held as to 99.99% by CPF through its wholly-owned subsidiary, CPF Investment Limited, and 0.01% by an independent third party of the Company. CPF (India) is principally engaged in the production and sale of animal feed, farming and processed food.

CPG is a company with a diverse shareholding structure with more than 80 shareholders, of which the largest shareholder being a company holding approximately 12.96% of its shares and the ultimate beneficial owner of which is Mr. Sumet Jiaravanon. None of the other shareholders of CPG is interested in 10% or more of CPG's shares. The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, other than the Directors who have disclosed their shareholding interests in CPG, each of the other shareholders and the ultimate beneficial owners of CPG is independent third party of the Company.

REASONS FOR AND BENEFITS OF THE 2026 MASTER HOEL PURCHASE AGREEMENT

The Directors are of the view that, upon approval by the Independent Shareholders, the 2026 Master HOEL Purchase Agreement would enable the CPBIO Group to continue to supply the CPBIO Products to the HOEL Group and thereby generate increased sales for the CPBIO Group.

The Board considered that the following Directors who attended the Board meeting held for considering the 2026 Master HOEL Purchase Agreement and the transactions thereunder, had a material interest: (i) each of Mr. Soopakij Chearavanont, Mr. Thirayut Phityaisarakul and Mr. Nopadol Chiaravanont, in view of their respective shareholdings in CPG; and (ii) each of Mr. Soopakij Chearavanont and Ms. Kobboon Srichai, in view of their directorship in CPF.

Accordingly, Mr. Soopakij Chearavanont, Mr. Thirayut Phityaisarakul, Mr. Nopadol Chiaravanont and Ms. Kobboon Srichai abstained from voting on the Board resolutions relating to the 2026 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 2026 Master HOEL Purchase Agreement.

The Directors (excluding those Directors referred to above who abstained from voting and independent non-executive Directors, who will comprise the Independent Board Committee and who will provide their advice after having received the advice from the independent financial adviser) are of the view that the terms and conditions of the 2026 Master HOEL Purchase Agreement and the transactions thereunder (including the proposed annual caps in relation to the transactions under the 2026 Master HOEL Purchase Agreement) are on normal commercial terms, entered into in the ordinary and usual course of business of the Company, and that the terms are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE 2026 MASTER CPF (INDIA) SUPPLY AGREEMENT

The Directors consider that the 2026 Master CPF (India) Supply Agreement will enable the CPBIO Group to continue to purchase the CPF Products required by the CPBIO Group in the production and/or sale of animal health products from CPF (India) as a reliable and competitively priced source of supply. The entering into of the 2026 Master CPF (India) Supply Agreement will enhance the stability of the business operation as well as the long-term development of the Company.

The Board considered that each of Mr. Soopakij Chearavanont and Ms. Kobboon Srichai, who attended the Board meeting held for considering the 2026 Master CPF (India) Supply Agreement and the transactions thereunder, had a material interest in view of their directorship in CPF. Accordingly, they abstained from voting on the Board resolutions relating to the 2026 Master CPF (India) Supply 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 2026 Master CPF (India) Supply Agreement.

The Directors (including all the independent non-executive Directors, but excluding those Directors referred to above who abstained from voting) are of the opinion that the 2026 Master CPF (India) Supply Agreement and the transactions thereunder (including the proposed annual caps in relation to the transactions under the 2026 Master CPF (India) Supply Agreement) are on normal commercial terms, entered into in the ordinary and usual course of business of the Group, and that the terms are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Transactions under the 2026 Master HOEL Purchase Agreement

As at the date of this announcement, CPF is interested in approximately 47.83% of the Shares in issue and is therefore the controlling shareholder of the Company. Furthermore, approximately 44.45% 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 accordingly CPG, CPG's subsidiaries (including HOEL which is its indirect wholly-owned subsidiary) and their respective associates are treated as connected persons of the Company within the meaning of the Listing Rules. Therefore, the transactions between the CPBIO Group and the HOEL Group under the 2026 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 proposed annual caps under the 2026 Master HOEL Purchase Agreement are more than 5%, the entry into the 2026 Master HOEL Purchase Agreement and the transactions thereunder (including the proposed annual caps in relation to the transactions under the 2026 Master HOEL Purchase Agreement) 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 2026 Master HOEL Purchase Agreement and the transactions thereunder (including the proposed annual caps in relation to the transactions under the 2026 Master HOEL Purchase Agreement). CPG, CPF and their associates will abstain from voting at the SGM in respect of the resolution on this matter.

The Independent Board Committee has been established to consider the entry into the 2026 Master HOEL Purchase Agreement and the transactions thereunder (including the proposed annual caps in relation to the transactions under the 2026 Master HOEL Purchase Agreement). 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 2026 Master HOEL Purchase Agreement and the transactions thereunder (including the proposed annual caps in relation to the transactions under the 2026 Master HOEL Purchase Agreement) 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, Mr. Edward Ko Ming Tung and Ms. Cheung Marn Kay, each an independent non-executive Director.

A circular containing, among other things, (i) further information regarding the 2026 Master HOEL Purchase Agreement and the transactions thereunder (including the proposed annual caps in relation to the transactions under the 2026 Master HOEL Purchase Agreement); (ii) the recommendation of Independent Board Committee to the Independent Shareholders in respect of the entry into the 2026 Master HOEL Purchase Agreement and the transactions thereunder (including the proposed annual caps in relation to the transactions under the 2026 Master HOEL Purchase Agreement) 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 30 October 2026 as additional time is required to prepare and finalise the relevant information to be included in the circular.

Transactions under the 2026 Master CPF (India) Supply Agreement

As at the date of this announcement, CPF (India) is held as to 99.99% by CPF and is a non-wholly-owned subsidiary of CPF. CPF is interested in approximately 47.83% of the Shares in issue and is therefore the controlling shareholder of the Company, and accordingly, CPF (India) is a connected person of the Company by virtue of being an associate of the Company's controlling shareholder within the meaning of the Listing Rules. Therefore, the transactions between the CPBIO Group and CPF (India) under the 2026 Master CPF (India) Supply Agreement are continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treated as if they were one transaction if they were all completed within a 12-month period or were all otherwise related. Accordingly, the historical amount of the CPF Products purchased from CPF (India) since 1 January 2026 shall be aggregated.

As the applicable percentage ratios under Rule 14.07 of the Listing Rules for the proposed annual caps under the 2026 Master CPF (India) Supply Agreement are more than 0.1% but less than 5%, the entry into the 2026 Master CPF (India) Supply Agreement and the transactions thereunder (including the proposed annual caps in relation to the transactions under the 2026 Master CPF (India) Supply Agreement) 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.

“2023 Master HOEL Purchase Agreement”	the master agreement dated 14 September 2023 made between the Company as supplier and HOEL as purchaser for the supply by the CPBIO Group of the CPBIO Products to the HOEL Group with a term of three years from 1 January 2024 until 31 December 2026
“2026 Master CPF (India) Supply Agreement”	the master agreement dated 11 August 2026 made between the Company as purchaser and CPF (India) as supplier for the purchase of the CPF Products by the CPBIO Group from CPF (India) with a term from 11 August 2026 until 31 December 2028
“2026 Master HOEL Purchase Agreement”	the master agreement dated 11 August 2026 made between the Company as supplier and HOEL as purchaser for the supply by the CPBIO Group of the CPBIO Products to the HOEL Group with a term of three years from 1 January 2027 until 31 December 2029
“associates”	has the meaning ascribed to this term in the Listing Rules
“Board”	the board of Directors of the Company

“Company”	CPBIO Holding Company 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
“CPBIO Group”	the Company and its subsidiaries from time to time
“CPBIO Products”	various chlortetracycline products, animal drugs, animal health products and other related products produced and/or sold by the CPBIO Group
“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
“CPF Products”	various additives and other related biotech products required for the production and/or sale of animal health products which the CPBIO Group may require in the normal course of business and which CPF (India) may supply from time to time
“CPF (India)”	CPF (India) Private Limited, a company incorporated in the Republic of India with limited liability
“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 approximately 12.96% of its shares and the ultimate beneficial owner of which is Mr. Sumet Jiaravanon. No other shareholders hold more than 10% of its shares
“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 CPBIO Group
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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 the 2026 Master HOEL Purchase Agreement and the transactions thereunder (including the proposed annual caps in relation to the transactions under the 2026 Master HOEL Purchase Agreement)
“Independent Shareholders”	Shareholders other than CPG, CPF and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SGM”	a special general meeting of the Company to be held to consider and, if thought fit, approve the entry into the 2026 Master HOEL Purchase Agreement and the transactions thereunder (including the proposed annual caps in relation to the transactions under the 2026 Master HOEL Purchase Agreement)
“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
Chawalit Na Muangtoun
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, 11 August 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).