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**BETAGRO FOODS
(SINGAPORE) PTE. LTD.**

*(Incorporated in Singapore as a private
company limited by shares)*

EGGRICULTURE FOODS LTD.

永續農業發展有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8609)

JOINT ANNOUNCEMENT

- (1) PROPOSED PRIVATISATION OF
EGGRICULTURE FOODS LTD.
BY BETAGRO FOODS (SINGAPORE) PTE. LTD.
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 86 OF THE COMPANIES ACT**
- (2) PROPOSED WITHDRAWAL OF LISTING OF
EGGRICULTURE FOODS LTD.**
- (3) SPECIAL DEAL RELATING TO THE OFFEROR
COOPERATION ARRANGEMENT**
- (4) ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE**
- (5) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**
- AND**
- (6) RESUMPTION OF TRADING**

Financial Adviser to the Offeror



Independent Financial Adviser to the Independent Board Committee



INTRODUCTION

By a binding offer dated 15 August 2024, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the proposed privatisation of the Company by way of a scheme of arrangement under section 86 of the Companies Act. The Offeror and the Company entered into the Implementation Agreement on 15 August 2024 in connection with the implementation of the Proposal.

TERMS OF THE PROPOSAL

Subject to the Scheme becoming effective, all of the Scheme Shares will be cancelled, among which:

- (a) 375,000,000 Scheme Shares (representing 75% of the issued Shares as at the date of this joint announcement), being 169,800,000 Founder Scheme Shares and 205,200,000 Other Scheme Shares, shall be cancelled in consideration for the Cancellation Price of HK\$1.103 per Scheme Share in cash; and
- (b) 125,000,000 Founder Rollover Scheme Shares (representing 25% of the issued Shares as at the date of this joint announcement) will be cancelled in consideration of the Cancellation Price of HK\$1.103 per Founder Rollover Scheme Share which shall be satisfied by the Offeror allotting and issuing Offeror Shares to the Founder Holdco credited as fully paid.

Further, subject to the Scheme becoming effective, the Additional Price of HK\$0.082 per Other Scheme Share is payable to the Other Scheme Shareholders. Such Additional Price is equal to the value of the compensation to the Founder in consideration for his compliance with the non-compete and non-solicit restrictions of S\$4,000,000 (equivalent to approximately HK\$23.97 million) under the Service Deed (details of which are set out in the section headed “5. Arrangements Material to the Proposal – Special Deal relating to the Offeror Cooperation Arrangement – (ii) Service Deed” below in this joint announcement), divided by 294,800,000 Scheme Shares held by the Founder Holdco.

Therefore, the total price to be received by each Other Scheme Shareholder, subject to the Scheme becoming effective, would be HK\$1.185 per Scheme Share, comprising the Cancellation Price of HK\$1.103 per Other Scheme Share and the Additional Price of HK\$0.082 per Other Scheme Share.

The Offeror will not increase the Cancellation Price and does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.

The Cancellation Price of HK\$1.103 per Scheme Share represents:

- (a) a premium of approximately 125.1% over the closing price of HK\$0.490 per Share as quoted on the Hong Kong Stock Exchange on the Last Trading Date;
- (b) a premium of approximately 122.4% over the average closing price of approximately HK\$0.496 per Share as quoted on the Hong Kong Stock Exchange for the five trading days up to and including the Last Trading Date;
- (c) a premium of approximately 125.6% over the average closing price of approximately HK\$0.489 per Share as quoted on the Hong Kong Stock Exchange for the 10 trading days up to and including the Last Trading Date;
- (d) a premium of approximately 129.8% over the average closing price of approximately HK\$0.480 per Share as quoted on the Hong Kong Stock Exchange for the 30 trading days up to and including the Last Trading Date;
- (e) a premium of approximately 161.4% over the average closing price of approximately HK\$0.422 per Share as quoted on the Hong Kong Stock Exchange for the 60 trading days up to and including the Last Trading Date;
- (f) a premium of approximately 186.5% over the average closing price of approximately HK\$0.385 per Share as quoted on the Hong Kong Stock Exchange for the 90 trading days up to and including the Last Trading Date;
- (g) a premium of approximately 233.2% over the average closing price of approximately HK\$0.331 per Share as quoted on the Hong Kong Stock Exchange for the 180 trading days up to and including the Last Trading Date; and
- (h) a premium of approximately 40.2% over the audited consolidated net asset value attributable to Shareholders per Share of approximately HK\$0.787 as at 31 March 2024, calculated based on the audited consolidated net asset value of the Company attributable to the Shareholders of approximately S\$65.73 million as at 31 March 2024 (equivalent to approximately HK\$393.73 million) and 500,000,000 Shares in issue as at the date of this joint announcement.

The Cancellation Price plus Additional Price of HK\$1.185 per Other Scheme Share represents:

- (a) a premium of approximately 141.8% over the closing price of HK\$0.490 per Share as quoted on the Hong Kong Stock Exchange on the Last Trading Date;
- (b) a premium of approximately 138.9% over the average closing price of approximately HK\$0.496 per Share as quoted on the Hong Kong Stock Exchange for the five trading days up to and including the Last Trading Date;
- (c) a premium of approximately 142.3% over the average closing price of approximately HK\$0.489 per Share as quoted on the Hong Kong Stock Exchange for the 10 trading days up to and including the Last Trading Date;
- (d) a premium of approximately 146.9% over the average closing price of approximately HK\$0.480 per Share as quoted on the Hong Kong Stock Exchange for the 30 trading days up to and including the Last Trading Date;
- (e) a premium of approximately 180.8% over the average closing price of approximately HK\$0.422 per Share as quoted on the Hong Kong Stock Exchange for the 60 trading days up to and including the Last Trading Date;
- (f) a premium of approximately 207.8% over the average closing price of approximately HK\$0.385 per Share as quoted on the Hong Kong Stock Exchange for the 90 trading days up to and including the Last Trading Date;
- (g) a premium of approximately 258.0% over the average closing price of approximately HK\$0.331 per Share as quoted on the Hong Kong Stock Exchange for the 180 trading days up to and including the Last Trading Date; and
- (h) a premium of approximately 50.6% over the audited consolidated net asset value attributable to Shareholders per Share of approximately HK\$0.787 as at 31 March 2024, calculated based on the audited consolidated net asset value of the Company attributable to the Shareholders of approximately S\$65.73 million as at 31 March 2024 (equivalent to approximately HK\$393.73 million) and 500,000,000 Shares in issue as at the date of this joint announcement.

CONDITIONS OF THE PROPOSAL AND THE SCHEME

The Proposal and the Scheme will only become effective and binding on the Company and all of the Scheme Shareholders if the following Conditions are fulfilled or waived (as applicable):

- (a) the approval of the Scheme (by way of poll) at the Court Meeting by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders entitled to vote at the Court Meeting, present and voting either in person or by proxy at the Court Meeting;
- (b) (i) the approval of the Scheme (by way of a poll) by not less than 75% of the votes attaching to the Scheme Shares held by the Disinterested Shareholders entitled to vote at the Court Meeting, present and voting either in person or by proxy at the Court Meeting; and (ii) the number of votes cast (by way of a poll) by the Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by the Disinterested Shareholders;
- (c) the passing of (i) a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve and give effect to any reduction of the issued share capital on the Effective Date by cancelling the Scheme Shares; and (ii) an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve the simultaneous maintenance of the issued share capital at the amount immediately prior to the cancellation of the Scheme Shares by issuing to the Offeror of such number of new Shares as is equal to the number of Scheme Shares cancelled and apply the reserve created in the Company's books of account as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such new Shares so issued;
- (d) the sanction of the Scheme (with or without modifications) by the Grand Court and to the extent necessary its confirmation of any reduction of the issued share capital as a result of the cancellation of the Scheme Shares, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court for registration;
- (e) compliance, to the extent necessary, with the applicable procedural requirements and conditions, if any, under the Companies Act in relation to any reduction of the issued share capital as a result of the cancellation of the Scheme Shares;

- (f) in relation to the Offeror Cooperation Arrangement: (i) the receipt of an opinion from the Independent Financial Adviser to the Independent Board Committee confirming that the Offeror Cooperation Arrangement is fair and reasonable as far as the Disinterested Shareholders are concerned; (ii) the passing of an ordinary resolution by the Disinterested Shareholders at the EGM to approve the Offeror Cooperation Arrangement; and (iii) the grant of consent under Rule 25 of the Takeovers Code from the Executive to the Offeror Cooperation Arrangement;
- (g) all of the Approvals having been obtained, completed and/or made and remaining in full force and effect without modification or variation up to and as at the Effective Date;
- (h) all Applicable Laws having been complied with and no legal, regulatory or administrative requirement having been imposed by any Authority in any jurisdiction which is not expressly provided for, or is in addition to the legal, regulatory and administrative requirements which are expressly provided for, in the Applicable Laws in connection with the Proposal or the Scheme;
- (i) no Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or the Scheme void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations in connection with the Proposal or the Scheme); and
- (j) since the date of this joint announcement, there having been no adverse change to the business, financial or trading position of the Group which is material in the context of the Group taken as a whole or in the context of the Proposal.

The Conditions in paragraphs (a) to (f) (inclusive) cannot be waived. The Offeror reserves the right to waive all or any of the Conditions in paragraphs (g) to (j) (inclusive) above in whole or in part, either generally or in respect of any particular matter. The Company has no right to waive any of the Conditions. All of the Conditions must be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse.

CONFIRMATION OF FINANCIAL RESOURCES

On the basis of (a) the Cancellation Price of HK\$1.103 per Scheme Share in respect of 500,000,000 Scheme Shares and (b) the Additional Price of HK\$0.082 per Other Scheme Share with respect to 205,200,000 Other Scheme Shares, the aggregate consideration payable for the Scheme Shares is HK\$568,326,400.

Pursuant to the Shareholders' Deed, 125,000,000 Founder Rollover Scheme Shares (representing 25% of the issued Shares) held by the Founder Holdco will be cancelled in consideration for the Cancellation Price, which shall be satisfied by the Offeror allotting and issuing Offeror Shares to the Founder Holdco credited as fully paid. The remaining 375,000,000 Scheme Shares (comprising 169,800,000 Founder Scheme Shares and 205,200,000 Other Scheme Shares) (representing in aggregate 75% of the issued Shares) shall be cancelled in consideration for the Cancellation Price in cash. In addition, the Other Scheme Shareholders will receive the Additional Price. As such, assuming that no new Shares are issued on or before the Scheme Record Date, the amount of cash consideration payable to implement the Proposal in full will be HK\$430,451,400.

The Offeror intends to finance the cash consideration payable under the Proposal in full by funds from Betagro by its internal resources and/or bank guarantee.

Lego Corporate Finance, being the financial adviser to the Offeror in connection with the Proposal, is satisfied that sufficient financial resources are and will remain available to the Offeror to satisfy in full its payment obligations in respect of the cash consideration payable by the Offeror under the Proposal.

SPECIAL DEAL RELATING TO THE OFFEROR COOPERATION ARRANGEMENT

As part of the Proposal, Betagro, Mr. Ma, the Founder Holdco and/or the Offeror have entered into the Offeror Cooperation Arrangement, comprising (i) the Shareholders' Deed; (ii) the Service Deed; and (iii) the Deed of Indemnity. As the Offeror Cooperation Arrangement contains special arrangements not offered to all Shareholders, the Offeror Cooperation Arrangement constitutes a special deal and requires the consent of the Executive under Rule 25 of the Takeovers Code. The Offeror will make an application for consent from the Executive in relation to the Offeror Cooperation Arrangement conditional on the Independent Financial Adviser confirming to the Independent Board Committee that the Offeror Cooperation Arrangement is fair and reasonable as far as the Disinterested Shareholders are concerned and the passing of an ordinary resolution by the Disinterested Shareholders at the EGM to approve the Offeror Cooperation Arrangement. Accordingly, as set out in Condition (f), the Proposal and the Scheme are subject to (i) the receipt of an opinion from the Independent Financial Adviser to the Independent Board Committee confirming that the Offeror Cooperation Arrangement is fair and reasonable as far as the Disinterested Shareholders are concerned; (ii) the passing of an ordinary resolution by the Disinterested Shareholders at the EGM to approve the Offeror Cooperation Arrangement; and (iii) the grant of consent under Rule 25 of the Takeovers Code from the Executive to the Offeror Cooperation Arrangement.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Sneddon Donald William, Mr. Yuen Ka Lok Ernest and Mr. Lew Chern Yong, has been established by the Board to make recommendations to the Disinterested Shareholders as to: (i) whether the terms of the Proposal (including the Offeror Cooperation Arrangement) and the Scheme are, or are not, fair and reasonable; and (ii) whether to vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal (including the Offeror Cooperation Arrangement) at the EGM.

Opus Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal and the Scheme. Such appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code. The letter of advice of the Independent Financial Adviser to the Independent Board Committee in connection with the Proposal (including the Offeror Cooperation Arrangement) and the Scheme will be included in the Scheme Document to be despatched jointly by the Company and the Offeror to the Shareholders.

DESPATCH OF THE SCHEME DOCUMENT

The Scheme Document containing, among other things: (a) further details of the Proposal (including the Offeror Cooperation Arrangement) and the Scheme; (b) an explanatory statement in respect of the Scheme as required under the Companies Act and the rules of the Grand Court; (c) the expected timetable relating to the Proposal and the Scheme; (d) a letter from the Independent Board Committee containing its recommendations to the Disinterested Shareholders in respect of the Proposal (including the Offeror Cooperation Arrangement) and the Scheme; (e) a letter of advice from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Proposal (including the Offeror Cooperation Arrangement) and the Scheme; and (f) notices of the Court Meeting and the EGM (including proxy forms relating to such meetings for use by the relevant Shareholders), will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and Applicable Laws.

WITHDRAWAL OF LISTING OF THE SHARES

Upon the Scheme becoming effective, all of the Scheme Shares will be cancelled and the share certificates in respect of the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will make an application to the Hong Kong Stock Exchange for the withdrawal of the listing of the Shares on GEM of the Hong Kong Stock Exchange in accordance with Rule 9.23 of the GEM Listing Rules with effect immediately following the Effective Date.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

Subject to the requirements of the Takeovers Code, the Proposal and the Scheme will lapse if any of the Conditions has not been fulfilled or (where applicable) waived on or before the Long Stop Date. If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares on GEM of the Hong Kong Stock Exchange will not be withdrawn.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on GEM of the Hong Kong Stock Exchange was halted from 9:00 a.m. on Friday, 16 August 2024, pending the publication of this joint announcement.

An application has been made by the Company to the Hong Kong Stock Exchange for the resumption of trading in the Shares on GEM of the Hong Kong Stock Exchange with effect from 9:00 a.m. on Friday, 30 August 2024.

This joint announcement is not intended to, and does not, constitute or form part of any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote, approval or acceptance in any jurisdiction pursuant to the Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of Applicable Laws. The Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal, including details of how to vote on the Proposal. Any approval or other response to the Proposal should be made only on the basis of information in the Scheme Document.

The availability of the Proposal to persons who are citizens, residents or nationals of a jurisdiction other than Hong Kong may be affected by the laws of the relevant jurisdiction in which they are located or resident or of which they are citizens. Such Scheme Shareholders should inform themselves about, and observe, any applicable legal, regulatory or tax requirements in their respective jurisdictions and, where necessary, seek their own legal advice. Further information in relation to overseas Shareholders will be contained in the Scheme Document.

NOTICE TO U.S. INVESTORS

The Proposal and the Scheme relate to the cancellation of the securities of a company incorporated under the laws of the Cayman Islands by way of a scheme of arrangement provided for under the Companies Act. The Proposal and the Scheme are subject to Hong Kong procedural disclosure requirements and practices which are different from those of the United States.

A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules of the United States Securities Exchange Act of 1934. Accordingly, the Proposal and the Scheme are subject to the procedural and disclosure requirements and practices applicable in the Cayman Islands and Hong Kong to schemes of arrangement and securities offer, which differ from the disclosure and procedural and practice requirements applicable under United States federal securities laws.

The receipt of cash pursuant to the Proposal or the Scheme by a U.S. holder of the Scheme Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each holder of the Scheme Shares is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of the Proposal and the Scheme applicable to him/her/it.

It may be difficult for a U.S. holder of the Scheme Shares to enforce his/her/its rights and claims arising out of the U.S. federal securities laws, as the Offeror and the Company are incorporated in a country other than the United States, and some or all of their respective officers and directors may be residents of a country other than the United States. A U.S. holder of the Scheme Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, a U.S. holder of the Scheme Shares may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgement.

Neither the U.S. Securities and Exchange Commission nor any U.S. state securities commission has approved or disapproved the Proposal or the Scheme, or determined if this joint announcement is accurate or complete. Any representation to the contrary is a criminal offence in the United States.

This joint announcement is not intended to, and does not, constitute, or form part of, an offer or invitation to purchase or subscribe for any securities of the Company in the United States.

Forward-Looking Statements: This joint announcement may include forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “envisages”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts and include statements regarding the Offeror's, the Company's or their respective affiliates' intentions, beliefs or current expectations. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Readers are cautioned that forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those made in or suggested by the forward-looking statements contained in this joint announcement, and may not be indicative of results or developments in subsequent periods. The forward-looking statements and information contained in this joint announcement are made as of the date hereof and each of the Offeror and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws or the Takeovers Code.

Financial information disclosed in respect of the Proposal and the Scheme has been or will have been prepared in accordance with non-U.S. accounting standards that may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

1. INTRODUCTION

By a binding offer dated 15 August 2024, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the proposed privatisation of the Company by way of a scheme of arrangement under section 86 of the Companies Act. The Offeror and the Company entered into the Implementation Agreement on 15 August 2024 in connection with the implementation of the Proposal.

If the Proposal is approved and implemented:

- (a) the 294,800,000 Scheme Shares (representing 58.96% of the issued Shares) held by the Founder Holdco will be cancelled on the Effective Date in consideration for the Cancellation Price, among which:
 - (i) 169,800,000 Founder Scheme Shares (representing 33.96% of the issued Shares) will be cancelled in consideration for the Cancellation Price which shall be paid by the Offeror in cash; and
 - (ii) 125,000,000 Founder Rollover Scheme Shares (representing 25% of the issued Shares) will be cancelled in consideration for the Cancellation Price, which shall be satisfied by the Offeror allotting and issuing Offeror Shares to the Founder Holdco credited as fully paid;
- (b) the 205,200,000 Other Scheme Shares (representing 41.04% of the issued Shares) will be cancelled on the Effective Date in consideration for the Cancellation Price which shall be paid by the Offeror in cash;
- (c) the Additional Price of HK\$0.082 per Other Scheme Share will be paid to the Other Scheme Shareholders;
- (d) simultaneous with the cancellation of the Scheme Shares, the issued share capital of the Company will be maintained by the issuance to the Offeror, credited as fully paid, the aggregate number of new Shares as is equal to the number of Scheme Shares cancelled, such that the Company will become directly wholly owned by the Offeror. The reserve created in the Company's books of account as a result of the aforesaid cancellation of the Scheme Shares will be applied in paying up in full at par such new Shares so issued; and
- (e) the Company will make an application to the Hong Kong Stock Exchange for the withdrawal of the listing of the Shares on GEM of the Hong Kong Stock Exchange with effect immediately following the Effective Date.

In compliance with Rule 20.1(a) of the Takeovers Code, upon the Scheme becoming effective, the consideration for cancellation of the 169,800,000 Founder Scheme Shares and the 205,200,000 Other Scheme Shares, and the Additional Price will be paid to the Scheme Shareholders whose names appear in the register of members of the Company on the Scheme Record Date as soon as possible, but in any event no later than seven business days (as defined in the Takeovers Code) after the Effective Date.

2. TERMS OF THE PROPOSAL

Subject to the Scheme becoming effective, all of the Scheme Shares will be cancelled, among which:

- (a) 375,000,000 Scheme Shares (representing 75% of the issued Shares as at the date of this joint announcement), being 169,800,000 Founder Scheme Shares and 205,200,000 Other Scheme Shares, shall be cancelled in consideration for the Cancellation Price of HK\$1.103 per Scheme Share in cash; and
- (b) 125,000,000 Founder Rollover Scheme Shares (representing 25% of the issued Shares as at the date of this joint announcement) will be cancelled in consideration of the Cancellation Price of HK\$1.103 per Founder Rollover Scheme Share which shall be satisfied by the Offeror allotting and issuing Offeror Shares to the Founder Holdco credited as fully paid.

Further, subject to the Scheme becoming effective, the Additional Price of HK\$0.082 per Other Scheme Share is payable to the Other Scheme Shareholders. Such Additional Price is equal to the value of the compensation to the Founder in consideration for his compliance with the non-compete and non-solicit restrictions of S\$4,000,000 (equivalent to approximately HK\$23.97 million) under the Service Deed (details of which are set out in the section headed “5. Arrangements Material to the Proposal – Special Deal relating to the Offeror Cooperation Arrangement – (ii) Service Deed” below in this joint announcement), divided by 294,800,000 Scheme Shares held by the Founder Holdco.

Therefore, the total price to be received by each Other Scheme Shareholder, subject to the Scheme becoming effective, would be HK\$1.185 per Scheme Share, comprising the Cancellation Price of HK\$1.103 per Other Scheme Share and the Additional Price of HK\$0.082 per Other Scheme Share.

The Offeror will not increase the Cancellation Price and does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.

The Cancellation Price of HK\$1.103 per Scheme Share represents:

- (a) a premium of approximately 125.1% over the closing price of HK\$0.490 per Share as quoted on the Hong Kong Stock Exchange on the Last Trading Date;
- (b) a premium of approximately 122.4% over the average closing price of approximately HK\$0.496 per Share as quoted on the Hong Kong Stock Exchange for the five trading days up to and including the Last Trading Date;

- (c) a premium of approximately 125.6% over the average closing price of approximately HK\$0.489 per Share as quoted on the Hong Kong Stock Exchange for the 10 trading days up to and including the Last Trading Date;
- (d) a premium of approximately 129.8% over the average closing price of approximately HK\$0.480 per Share as quoted on the Hong Kong Stock Exchange for the 30 trading days up to and including the Last Trading Date;
- (e) a premium of approximately 161.4% over the average closing price of approximately HK\$0.422 per Share as quoted on the Hong Kong Stock Exchange for the 60 trading days up to and including the Last Trading Date;
- (f) a premium of approximately 186.5% over the average closing price of approximately HK\$0.385 per Share as quoted on the Hong Kong Stock Exchange for the 90 trading days up to and including the Last Trading Date;
- (g) a premium of approximately 233.2% over the average closing price of approximately HK\$0.331 per Share as quoted on the Hong Kong Stock Exchange for the 180 trading days up to and including the Last Trading Date; and
- (h) a premium of approximately 40.2% over the audited consolidated net asset value attributable to Shareholders per Share of approximately HK\$0.787 as at 31 March 2024, calculated based on the audited consolidated net asset value of the Company attributable to the Shareholders of approximately S\$65.73 million as at 31 March 2024 (equivalent to approximately HK\$393.73 million) and 500,000,000 Shares in issue as at the date of this joint announcement.

The Cancellation Price of HK\$1.103 per Scheme Share has been determined on a commercial basis after taking into account, among other things, the recent and historical prices of the Shares traded on the Hong Kong Stock Exchange, the historical financial performance and business prospects of the Group and with reference to other privatisation transactions in Hong Kong in recent years.

The Cancellation Price plus Additional Price of HK\$1.185 per Other Scheme Share represents:

- (a) a premium of approximately 141.8% over the closing price of HK\$0.490 per Share as quoted on the Hong Kong Stock Exchange on the Last Trading Date;
- (b) a premium of approximately 138.9% over the average closing price of approximately HK\$0.496 per Share as quoted on the Hong Kong Stock Exchange for the five trading days up to and including the Last Trading Date;
- (c) a premium of approximately 142.3% over the average closing price of approximately HK\$0.489 per Share as quoted on the Hong Kong Stock Exchange for the 10 trading days up to and including the Last Trading Date;

- (d) a premium of approximately 146.9% over the average closing price of approximately HK\$0.480 per Share as quoted on the Hong Kong Stock Exchange for the 30 trading days up to and including the Last Trading Date;
- (e) a premium of approximately 180.8% over the average closing price of approximately HK\$0.422 per Share as quoted on the Hong Kong Stock Exchange for the 60 trading days up to and including the Last Trading Date;
- (f) a premium of approximately 207.8% over the average closing price of approximately HK\$0.385 per Share as quoted on the Hong Kong Stock Exchange for the 90 trading days up to and including the Last Trading Date;
- (g) a premium of approximately 258.0% over the average closing price of approximately HK\$0.331 per Share as quoted on the Hong Kong Stock Exchange for the 180 trading days up to and including the Last Trading Date; and
- (h) a premium of approximately 50.6% over the audited consolidated net asset value attributable to Shareholders per Share of approximately HK\$0.787 as at 31 March 2024, calculated based on the audited consolidated net asset value of the Company attributable to the Shareholders of approximately S\$65.73 million as at 31 March 2024 (equivalent to approximately HK\$393.73 million) and 500,000,000 Shares in issue as at the date of this joint announcement.

Highest and lowest prices

During the six-month period ended on and including the Last Trading Date, the highest closing price of the Shares as quoted on the Hong Kong Stock Exchange was HK\$0.54 on 7 August 2024, and the lowest closing price of the Shares as quoted on the Hong Kong Stock Exchange was HK\$0.25 on 21 February 2024 and 22 February 2024.

Dividend payment by the Company

As at the date of this joint announcement, the Company has not declared any dividend or other distribution and/or other return of capital which remains unpaid, and the Company does not intend to make, declare and/or pay any dividend or make other distribution and/or other return of capital on or before the Effective Date or the date on which the Scheme is not approved, or the Proposal otherwise lapses (as the case may be).

In the event that any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Scheme Shares after the date of this joint announcement, the Offeror reserves the right to reduce the Cancellation Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital subject to compliance with the Takeovers Code, in which case any reference in this joint announcement, the Scheme Document or any other announcement(s) or document(s) to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced.

3. CONDITIONS OF THE PROPOSAL AND THE SCHEME

The Proposal and the Scheme will only become effective and binding on the Company and all of the Scheme Shareholders if the following Conditions are fulfilled or waived (as applicable):

- (a) the approval of the Scheme (by way of poll) at the Court Meeting by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders entitled to vote at the Court Meeting, present and voting either in person or by proxy at the Court Meeting;
- (b) (i) the approval of the Scheme (by way of a poll) by not less than 75% of the votes attaching to the Scheme Shares held by the Disinterested Shareholders entitled to vote at the Court Meeting, present and voting either in person or by proxy at the Court Meeting; and (ii) the number of votes cast (by way of a poll) by the Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by the Disinterested Shareholders;
- (c) the passing of (i) a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve and give effect to any reduction of the issued share capital on the Effective Date by cancelling the Scheme Shares; and (ii) an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve the simultaneous maintenance of the issued share capital at the amount immediately prior to the cancellation of the Scheme Shares by issuing to the Offeror of such number of new Shares as is equal to the number of Scheme Shares cancelled and apply the reserve created in the Company's books of account as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such new Shares so issued;

- (d) the sanction of the Scheme (with or without modifications) by the Grand Court and to the extent necessary its confirmation of any reduction of the issued share capital as a result of the cancellation of the Scheme Shares, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court for registration;
- (e) compliance, to the extent necessary, with the applicable procedural requirements and conditions, if any, under the Companies Act in relation to any reduction of the issued share capital as a result of the cancellation of the Scheme Shares;
- (f) in relation to the Offeror Cooperation Arrangement: (i) the receipt of an opinion from the Independent Financial Adviser to the Independent Board Committee confirming that the Offeror Cooperation Arrangement is fair and reasonable as far as the Disinterested Shareholders are concerned; (ii) the passing of an ordinary resolution by the Disinterested Shareholders at the EGM to approve the Offeror Cooperation Arrangement; and (iii) the grant of consent under Rule 25 of the Takeovers Code from the Executive to the Offeror Cooperation Arrangement;
- (g) all of the Approvals having been obtained, completed and/or made and remaining in full force and effect without modification or variation up to and as at the Effective Date;
- (h) all Applicable Laws having been complied with and no legal, regulatory or administrative requirement having been imposed by any Authority in any jurisdiction which is not expressly provided for, or is in addition to the legal, regulatory and administrative requirements which are expressly provided for, in the Applicable Laws in connection with the Proposal or the Scheme;
- (i) no Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or the Scheme void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations in connection with the Proposal or the Scheme); and
- (j) since the date of this joint announcement, there having been no adverse change to the business, financial or trading position of the Group which is material in the context of the Group taken as a whole or in the context of the Proposal.

In addition to the requisite Shareholders' approval and regulatory approvals as expressly set out under the Conditions and compliance with the Takeovers Code and the GEM Listing Rules, the Company is required to obtain prior written consent from certain third parties in relation to or in connection with any borrowings, indebtedness and/or debt securities of the Group regarding (a) the contemplated change of shareholding in the Company; (b) the contemplated change of key management of the Company; (c) the contemplated de-listing of the Shares; and/or (d) waiver of termination rights (arising from breach of the negative pledge covenants in the relevant agreements), in connection with the implementation of the Proposal and the Scheme.

Save for the above, as at the date of this joint announcement, the Company is not aware of any other Approvals or compliance obligations arising from other legal, regulatory or administrative requirements under the Applicable Laws that are required in connection with the implementation of the Proposal and the Scheme.

The Conditions in paragraphs (a) to (f) (inclusive) cannot be waived. The Offeror reserves the right to waive all or any of the Conditions in paragraphs (g) to (j) (inclusive) above in whole or in part, either generally or in respect of any particular matter. The Company has no right to waive any of the Conditions. All of the Conditions must be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Scheme if the circumstances which give rise to the right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal.

As at the date of this joint announcement and based on the information available to the Offeror and the Company, other than pursuant to the Conditions in paragraphs (a) to (f) (inclusive) above and the requisite third-party consents set out above, the Offeror and the Company are not aware of any circumstances which may result in any of the Conditions in paragraphs (g) to (i) (inclusive) above not being satisfied.

If the Conditions are satisfied or (where applicable) waived, the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the EGM.

WARNINGS

Shareholders and potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or (where applicable) waived. Accordingly, the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

4. CONFIRMATION OF FINANCIAL RESOURCES

On the basis of (a) the Cancellation Price of HK\$1.103 per Scheme Share in respect of 500,000,000 Scheme Shares and (b) the Additional Price of HK\$0.082 per Other Scheme Share with respect to 205,200,000 Other Scheme Shares, the aggregate consideration payable for the Scheme Shares is HK\$568,326,400.

Pursuant to the Shareholders' Deed, 125,000,000 Founder Rollover Scheme Shares (representing 25% of the issued Shares) held by the Founder Holdco will be cancelled in consideration for the Cancellation Price, which shall be satisfied by the Offeror allotting and issuing Offeror Shares to the Founder Holdco credited as fully paid. The remaining 375,000,000 Scheme Shares (comprising 169,800,000 Founder Scheme Shares and 205,200,000 Other Scheme Shares) (representing in aggregate 75% of the issued Shares) shall be cancelled in consideration for the Cancellation Price in cash. In addition, the Other Scheme Shareholders will receive the Additional Price. As such, assuming that no new Shares are issued on or before the Scheme Record Date, the amount of cash consideration payable to implement the Proposal in full will be HK\$430,451,400.

The Offeror intends to finance the cash consideration payable under the Proposal in full by funds from Betagro by its internal resources and/or bank guarantee.

Lego Corporate Finance, being the financial adviser to the Offeror in connection with the Proposal, is satisfied that sufficient financial resources are and will remain available to the Offeror to satisfy in full its payment obligations in respect of the cash consideration payable by the Offeror under the Proposal.

5. ARRANGEMENTS MATERIAL TO THE PROPOSAL

Implementation Agreement

On 15 August 2024, the Offeror and the Company entered into the Implementation Agreement, pursuant to which the parties have agreed to use all reasonable endeavours to do all such things within their power to implement the Proposal and cooperate to obtain all Approvals required in connection with the Proposal.

Under the Implementation Agreement, the Company has undertaken to the Offeror, among other things: (a) to use all reasonable endeavours to implement the Scheme; (b) to, and to procure each member of the Group to, maintain all licences necessary for the carrying on of the businesses and operations of each member of the Group and not to permit or suffer any of such licences to lapse; and (c) to procure that, prior to the earlier of the Effective Date and termination of the Implementation Agreement, unless otherwise approved by the Shareholders in a general meeting in accordance with Rule 4 of the Takeovers Code, the Group shall not take certain actions, including: (i) carrying on the respective businesses of each member of the Group other than in the ordinary and usual course of business; (ii) allotting, issuing, authorising or proposing the issue of any securities or making any change to its share capital, other than in respect of wholly-owned member of the Group; (iii) in respect of the Company only, recommending, proposing, declaring, paying or making any bonus issue, dividend or other distribution, whether payable in cash or otherwise; (iv) merging with any body corporate or acquiring or disposing of any assets or authorising, proposing or announcing any intention to propose any merger, demerger, acquisition or disposal, other than in the ordinary and usual course of business of the Group; (v) issuing, authorising or proposing the issue of any debentures or incurring or increasing any indebtedness or contingent liabilities other than in the ordinary and usual course of business of the Group; (vi) entering into any material contracts, undertakings, agreements or arrangements to which any member of the Group is a party that involves payment or incurrence of commitment involving material capital expenditure as stipulated in the Implementation Agreement; (vii) compromising or settling any legal proceedings for a material amount as stipulated in the Implementation Agreement; (viii) entering into contracts, including service contracts (and including making any amendment to terms and conditions of employment of employees, provision of gratuitous payment or benefits or hire or dismiss any employees of the Group), otherwise than in the ordinary and usual course of business of the Group; (ix) entering into, varying or amending terms of transaction with connected persons (as defined in the GEM Listing Rules), except in the ordinary and usual course of business of the Group and on arm's length terms; (x) creating or agreeing to create any encumbrance over its business or any assets or entering into any guarantee, indemnity or other agreement to secure an obligation of any third party except in the ordinary and usual course of business of the Group; (xi) transferring or assigning to any third party any intellectual property which it owns or has the right of use as at the date of the Implementation Agreement as well as any other intellectual property which it subsequently acquires or obtains the right of use of; (xii) amending constitutional documents or accounting policies or practices; or (xiii) conducting any other actions that would constitute a frustrating action pursuant to Rule 4 of the Takeovers Code.

The Company has further undertaken, among other things, that it will not, and will procure that no member of the Group shall, directly or indirectly (a) solicit, encourage, or otherwise seek to procure the submission of proposals, indications of interests or offers of any kind which are reasonably likely to lead to an alternative offer from any person other than the Offeror; and (b) enter into, or participate in, any discussions or negotiations (other than responding to unsolicited enquiries) with any such person in relation to an alternative offer or provide any due diligence information and non-public information on the Company and the Group to any third party in connection therewith, save to the extent that, based on the written advice of external legal counsel: (i) the Board reasonably considers that they are likely to be in breach of their directors' duties or statutory duties not to do so; or (ii) they are required to do so under Rule 6 of the Takeovers Code or other Applicable Laws. Nothing in the Implementation Agreement is intended to prevent or deprive: (a) the Shareholders from having the opportunity to consider; or (b) the Company from considering, in each case, any unsolicited alternative offer from any person other than the Offeror.

The Implementation Agreement will be terminated if the Scheme is not approved or the Proposal otherwise lapses or is withdrawn.

Special deal relating to the Offeror Cooperation Arrangement

Betagro proposes to allow the Founder Holdco (a company wholly-owned by Mr. Ma, an executive Director, the chairman of the Board and the chief executive officer of the Company) to retain 25% beneficial interest in the Company after the Scheme becomes effective. The Founder Holdco, which holds 294,800,000 Shares (representing 58.96% of the issued Shares) as at the date of this joint announcement, and Mr. Ma (the sole shareholder of the Founder Holdco) have been long-term controlling shareholders of the Company since the listing of the Shares on GEM of the Hong Kong Stock Exchange in 2018. Mr. Ma joined the Group in 2006 and has been the key driver to the continued success of the Group through his involvement in the day-to-day management and strategic direction of the Group. Betagro considers that it is important for Mr. Ma to retain beneficial interest in the Offeror Group and involvement in the management and business operation of the Offeror Group after the Scheme becomes effective, to ensure that the benefits of synergies and collaboration between the Offeror and the Company continue to be released which will benefit the sustainable development and growth of the Offeror Group. The Founder Holdco and Mr. Ma have also provided certain warranties on, among other things, corporate matters, accounts and taxation matters of the Group and certain undertakings in connection with the implementation of the Scheme under the Deed of Indemnity.

As part of the Proposal, Betagro, Mr. Ma, the Founder Holdco and/or the Offeror have entered into the Offeror Cooperation Arrangement, comprising (i) the Shareholders' Deed; (ii) the Service Deed; and (iii) the Deed of Indemnity. As the Offeror Cooperation Arrangement contains special arrangements not offered to all Shareholders, the Offeror Cooperation Arrangement constitutes a special deal and requires the consent of the Executive under Rule 25 of the Takeovers Code. The Offeror will make an application for consent from the Executive in relation to the Offeror Cooperation Arrangement conditional on the Independent Financial Adviser confirming to the Independent Board Committee that the Offeror Cooperation Arrangement is fair and reasonable as far as the Disinterested Shareholders are concerned and the passing of an ordinary resolution by the Disinterested Shareholders at the EGM to approve the Offeror Cooperation Arrangement. Accordingly, as set out in Condition (f), the Proposal and the Scheme are subject to (i) the receipt of an opinion from the Independent Financial Adviser to the Independent Board Committee confirming that the Offeror Cooperation Arrangement is fair and reasonable as far as the Disinterested Shareholders are concerned; (ii) the passing of an ordinary resolution by the Disinterested Shareholders at the EGM to approve the Offeror Cooperation Arrangement; and (iii) the grant of consent under Rule 25 of the Takeovers Code from the Executive to the Offeror Cooperation Arrangement.

The following sets out further details of the Offeror Cooperation Arrangement:

(i) Shareholders' Deed

On 15 August 2024, Betagro, Mr. Ma, the Founder Holdco and the Offeror entered into the Shareholders' Deed (as amended by the Supplemental Shareholders' Deed) in respect of the formation of a consortium to implement the Proposal and the governance of the Offeror, which shall take full effect upon the Scheme becoming effective. A summary of the key terms of the Shareholders' Deed is set out below:

- (a) **Consortium.** Parties to the Shareholders' Deed agree to form a consortium to make an offer to acquire all the issued Shares by way of a scheme of arrangement in accordance with the requirements of the Takeovers Code and the terms set out in this joint announcement and the Shareholders' Deed.
- (b) **Payment of cash consideration and issuance of rollover shares.** Subject to the Scheme becoming effective:
 - (i) the Founder Holdco shall receive from the Offeror the Cancellation Price in respect of the Founder Scheme Shares in cash (being HK\$187,289,400 in aggregate) in accordance with the terms of the Scheme;

- (ii) the Founder Holdco shall subscribe for, and the Offeror shall allot and issue, such number of new Offeror Shares, which shall be settled by the Offeror capitalising the reinvestment amount (representing the Cancellation Price payable by the Offeror to the Founder Holdco in respect of the Founder Rollover Scheme Shares in accordance with the terms of the Scheme);
 - (iii) any amount advanced by Betagro for the purposes of settlement of the Cancellation Price and the Additional Price pursuant to the terms of the Scheme on behalf of the Offeror shall be deemed to be an inter-company advance between Betagro and the Offeror and immediately capitalised by the issue of new Offeror Shares to Betagro; and
 - (iv) the new Offeror Shares to be issued hereunder shall result in Betagro and the Founder Holdco continuing to respectively hold 75% and 25% of the issued Offeror Shares upon the Scheme becoming effective.
- (c) **Condition and completion.** Completion of the issue of the rollover shares as detailed above (the “**Completion**”) is conditional upon the Scheme becoming effective and shall take place no later than seven business days upon the Scheme becoming effective.
- (d) **Board composition.** Subject to Completion, the board of directors of the Offeror shall comprise not more than five directors: (i) three of which shall be directors nominated by Betagro; and (ii) two of which shall be directors nominated by the Founder Holdco for so long as the Founder Holdco holds no less than 10% of the total number of Offeror Shares, one of whom shall be Mr. Ma.
- (e) **Funding.** Betagro shall make contributions of (i) subject to the Scheme becoming effective, an aggregate amount of up to S\$7,000,000 for the capital and maintenance expenditure of the Offeror by way of shareholders’ loan; and (ii) an aggregate amount of up to S\$1,200,000 for and on behalf of the Offeror for certain transaction related expenses incurred by the Offeror in connection with the Scheme.

- (f) **Reserved matters.** No reserved matters may be approved, carried out, taken or implemented by the Offeror unless duly approved by the board of directors of the Offeror. Such reserved matters include, among other things: (i) termination of certain employees of the Offeror Group; (ii) incurrence or commitment of material amount of capital expenditure beyond the S\$7,000,000 contributed by Betagro for capital and maintenance expenditure as set out in paragraph (e) above; (iii) incurrence of material new indebtedness or obtaining material new financial facilities; (iv) entering into of certain related party transactions; (v) change to geographical location, nature and/or scope of the business of the Offeror Group, or commencement of any new activity or line of business of the Offeror Group, or the entry by the Offeror Group into any partnership or joint venture or co-operation agreement with any other party; (vi) increase in the share capital of the Offeror, the issue or grant of any option over the unissued share capital of the Offeror, issue of any Offeror Shares and/or issuing of any convertible securities by the Offeror except in accordance with (g)(ii) below; (vii) repurchase, cancellation or redemption of the Offeror's issued Offeror Shares or any reduction, consolidation, subdivision or reclassification or other alteration of its capital structure; (viii) amalgamation or reconstruction or merger; (ix) disposal or the acquisition of, or investment in, any undertaking, shares or other equity interests, or assets by the Offeror Group; (x) save for the winding up of members of the Offeror Group as agreed, dissolution, liquidation, restructuring or winding-up of any member of the Offeror Group, or the placement of any member of the Offeror Group under receivership or judicial management.
- (g) **Pre-emption rights.** (i) Save as provided in (g)(ii), the Offeror shall not from the Effective Date issue any new Offeror Shares in the capital of the Offeror. (ii) In the event the board of directors of the Offeror determines that there is (A) insufficient cash or cash equivalents to pay for the operating expenses of the Group; or (B) the Offeror Group is in a negative equity position on a consolidated basis, the board of directors of the Offeror may, propose to raise funding from its shareholders in the form of issue and allotment of new Offeror Shares. (iii) Subject to (g)(i) and (g)(ii) above, any new Offeror Shares issued by the Offeror shall be offered to each shareholder of the Offeror in proportion to its shareholding percentage.
- (h) **Tag-along rights.** In the event that Betagro receives an offer for any part of its Offeror Shares from a bona fide third party purchaser that Betagro wishes to accept, the Founder Holdco shall be entitled (but not obliged) to require Betagro to procure the third party purchaser to offer to purchase such number of Offeror Shares held by the Founder Holdco in proportion to the Offeror Shares sold by Betagro on the same terms and conditions as set out in such offer, provided that the third party purchaser executes a deed of adherence to the Shareholders' Deed.

- (i) **Transfer restriction.** Each of the Founder Holdco and Mr. Ma, jointly and severally, undertake to Betagro that, save with the prior written consent of Betagro: (i) the Founder Holdco shall not transfer any part of its interest in its Offeror Shares except in accordance with the provisions of the Shareholders' Deed; and (ii) for so long as the Founder Holdco remains a shareholder of the Offeror, Mr. Ma shall remain the owner of 100% of the legal and beneficial interest in the shares of the Founder Holdco and that Mr. Ma shall not transfer any part of or any interest in his shares in the Founder Holdco, except with the prior written consent of Betagro and on such terms as Betagro may determine.
- (j) **Non-compete and non-solicit.**
- (a) Mr. Ma covenants with each of Betagro and the Offeror that during the restricted period (being the period in which Mr. Ma remains employed by Betagro or its affiliates in any capacity and for a period of 60 months after cessation of such employment), Mr. Ma: shall not (either personally or through an agent) and shall procure that his affiliates shall not (either alone or together with any other person), without Betagro's prior written consent, directly or indirectly be concerned in any business which is competitive with the business of the Offeror Group within Singapore (and any other country where a member of the Offeror Group derives revenue from or has business presence).
- (b) Mr. Ma shall not (either personally or through an agent) and shall procure that his affiliates not to (either alone or together with any other person), during the above-mentioned restricted period, without Betagro's prior written consent, directly or indirectly: solicit or entice away or attempt to do so from the Offeror Group (A) any customer, client, distributor or agent of the Offeror Group or in the habit of dealing with the Offeror Group; (B) any officer, manager or employee of the Offeror Group; (C) disclose any trade secret or information commercially sensitive to the Group; or (D) use any name capable of or likely to be confused with the name of any member of the Offeror Group.
- (k) **Deadlock or default event.** In the event of a deadlock or an event of default by Mr. Ma and/or the Founder Holdco and subject to the procedures as specified in the Shareholders' Deed, Betagro shall be entitled (but not obliged) to serve a notice requiring the Founder Holdco to sell all of the Offeror Shares held by it to Betagro at the higher of (i) S\$20,000,000; or (ii) a price as may be determined in accordance with a formula calculated based on the Founder Holdco's shareholding percentage in the Offeror multiplied by 7.5 of the average EBITDA of the Offeror for two financial years immediately preceding the date of such notice and deducting the net debt of the Offeror as set out in the Shareholders' Deed.

- (1) **Termination.** Upon the publication of this joint announcement, neither party to the Shareholders' Deed shall be entitled to terminate the Shareholders' Deed except upon the lapse of the Scheme, upon the Scheme becoming effective or by mutual agreement of all parties to the Shareholders' Deed. Subject to the above, the Shareholders' Deed shall terminate immediately upon the occurrence of any of the following events, whichever earlier: (A) failure by the Offeror to release this joint announcement no later than one month from the date of the Shareholders' Deed (or such other period as the parties to the Shareholders' Deed may agree in writing); (B) the Conditions not having been satisfied on or prior to the Long Stop Date; (C) by mutual agreement of all parties to the Shareholders' Deed and on the date specified in the relevant agreement; or (D) with respect to a shareholder of the Offeror, where such shareholder of the Offeror ceases to hold any Offeror Shares save for any provisions which are expressed to continue in force after such termination.

(ii) ***Service Deed***

Upon the Scheme becoming effective, Mr. Ma (an executive Director, the chairman of the Board and the chief executive officer of the Company) will serve as the chief executive officer of the Offeror in order to provide advance and assistance to the Offeror in the transition of the operations and integration of the Group to the Offeror Group upon the Scheme becoming effective and to continue to contribute to the growth and development of the Offeror Group. Accordingly, on 15 August 2024, the Offeror and Mr. Ma entered into the Service Deed which shall take full effect upon the Scheme becoming effective. A summary of the key terms of the Service Deed is set out below:

- (a) **Role and term.** The Offeror shall employ Mr. Ma as the chief executive officer or in such other equivalent capacity or office of the Offeror as the Offeror may from time to time reasonably direct for an initial term of three years commencing from the Effective Date or the date on which the results of Mr. Ma's pre-employment medical examination is certified to be satisfactory (as set out in (c) below) (whichever is later). The parties to the Service Deed shall no later than six months prior to the expiration of the initial term, enter into good faith discussions on the extension of the term for a further period of up to three years on such terms and conditions as may be agreed in writing.
- (b) **Remuneration.** Pursuant to the Service Deed, Mr. Ma's remuneration package comprises: (i) annual salary of S\$840,000 (which may be increased after each completed calendar year of service at the sole and absolute discretion of the board of directors of the Offeror); (ii) after each completed year of service, a minimum guaranteed bonus of one month's salary as well as any discretionary bonus as the board of directors of the Offeror may in its absolute discretion determine; and (iii) an allowance of not less than S\$120,000 per annum.

As at the date of this joint announcement, Mr. Ma is entitled to an annual remuneration of S\$840,000, travel allowance of S\$120,000 per annum and a discretionary bonus pursuant to his service contract with the Company.

- (c) **Pre-employment medical examination.** The employment under the Service Deed is conditional upon satisfactory result of a pre-employment medical examination of Mr. Ma at the Offeror's expense and such results being made available to the Offeror at least seven days prior to the Effective Date.
- (d) **Non-compete and non-solicit.**
- (a) Mr. Ma covenants with the Offeror that during the term of the employment under the Service Deed (the "**Employment Term**") and the restricted period (being the period of 60 months after cessation of such employment) (the "**Restricted Period**"), Mr. Ma: shall not (either personally or through an agent) and shall procure that his affiliates shall not (either alone or together with any other person), without the Offeror's prior written consent, directly or indirectly be concerned in any business which is competitive with the business of the Offeror Group within Singapore (and any other country where a member of the Offeror Group derives revenue from or has business presence).
- (b) Mr. Ma shall not (either personally or through an agent) and shall procure that his affiliates not to (either alone or together with any other person), during the Employment Term and the Restricted Period, without the Offeror's prior written consent, directly or indirectly: (A) solicit or entice away or attempt to do so from the Offeror Group any customer, client, distributor or agent of the Offeror Group or in the habit of dealing with the Offeror Group or any officer, manager or employee of the Offeror Group; (B) disclose any trade secret or information commercially sensitive to the Group; or (C) use any name capable of or likely to be confused with the name of any member of the Offeror Group.
- (e) **Termination.** After the initial term of three years from the Effective Date, either party to the Service Deed shall be entitled to terminate the Service Deed by giving to the other party written notice of not less than six months or by payment of six months' salary in lieu of notice. Notwithstanding the above, the Service Deed shall be deemed to have been automatically terminated without the need for further notice or payment in lieu of notice if the Scheme does not become effective or if the results of Mr. Ma's pre-employment medical examination are not made available to the Offeror within the stipulated period or are unsatisfactory. The Offeror is also entitled to terminate the employment of Mr. Ma without compensation in certain events, such as serious or wilful and persistent breach of the Service Deed by Mr. Ma, or prohibition by law from fulfilment of duties under the Service Deed.

- (f) **Compensation.** Subject to the commencement of employment of Mr. Ma in accordance with the provisions of the Service Deed, Mr. Ma shall, in consideration for the compliance by Mr. Ma of the continuing non-compete and non-solicit restrictions during the Employment Term and the Restricted Period as set out in (d) above and in addition to the payments and other benefits due to Mr. Ma under the Service Deed, be entitled to a one-time conditional payment of S\$4,000,000 (subject to applicable tax withholdings and Central Provident Fund contributions as required by Singapore laws) to be paid in one lump sum within seven days from the Effective Date. Such payment is conditional upon the compliance by Mr. Ma of the continuing non-compete and non-solicit restrictions during the Employment Term and the Restricted Period as set out in (d) above and shall be unvested and deemed to have vested at the end of the Restricted Period. In the event of breach of such non-compete and non-solicit restrictions by Mr. Ma, he shall immediately repay such payment to the Offeror upon the Offeror's demand.

(iii) Deed of Indemnity

In consideration of the Proposal put forth by the Offeror and the entering into of the Shareholders' Deed and the Service Deed by the Offeror, on 15 August 2024, the Founder Holdco and Mr. Ma executed the Deed of Indemnity (as amended by the Supplemental Deed of Indemnity) in favour of the Offeror regarding, among other things, (i) certain warranties on, among other things, corporate matters, accounts and taxation matters of the Group as at the date of the Deed of Indemnity and as at the Effective Date; and (ii) undertakings to (a) vote in favour of all matters necessary for the implementation of the Scheme at the EGM except for matters which the Founder Holdco is required to abstain from voting; (b) not to dispose of any Shares held or accept any other offer to acquire such Shares; and (c) not to solicit any person other than the Offeror to make a proposal competing to the Proposal provided that this shall not prevent the Founder Holdco and Mr. Ma from responding to any unsolicited proposals from any person to the extent such response is necessary to comply with the directions, rulings, notices or orders of any relevant Authority and any Applicable Laws.

6. SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this joint announcement:

- (a) the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Shares, and the Company has no relevant securities other than the 500,000,000 Shares in issue;
- (b) the Offeror does not hold any Shares and the Offeror Concert Parties hold 294,800,000 Shares (representing 58.96% of the issued Shares), which represent the 294,800,000 Shares held by the Founder Holdco. Save as disclosed above, none of the Offeror and the Offeror Concert Parties owns or has control or direction over any voting rights and rights over the Shares;

- (c) the Scheme Shareholders (including the Offeror Concert Parties who are subject to the Scheme) legally and/or beneficially own, control or have direction over 500,000,000 Shares in aggregate, representing all of the issued Shares; and
- (d) the Company does not have any outstanding shares, options, warrants, derivatives, convertible securities or other relevant securities in issue.

Shareholding structure

The table below sets out the shareholding structure of the Company as at the date of this joint announcement and immediately upon the Effective Date, assuming that there will be no other change in the shareholding of the Company before the Effective Date:

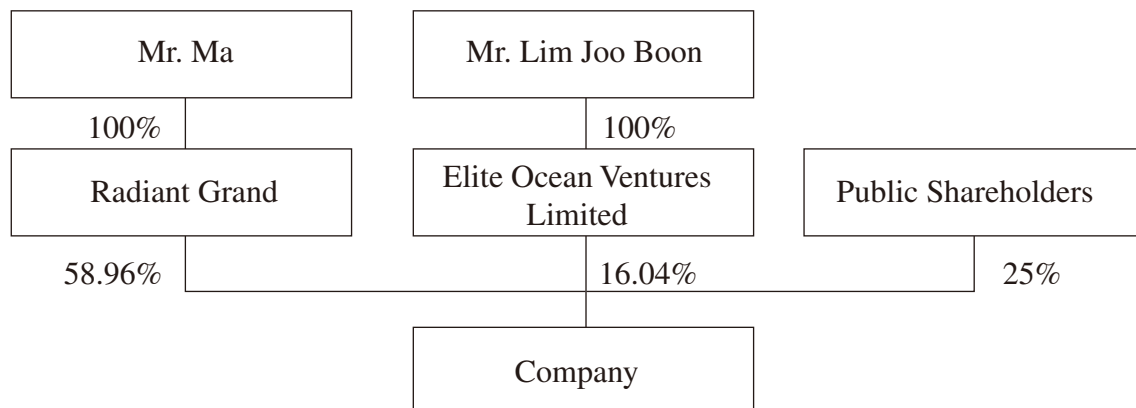
Shareholders	As at the date of this joint announcement		Immediately upon the Effective Date	
	Number of Shares	Total number of Shares in issue (%)	Number of Shares	Total number of Shares in issue (%)
Offeror⁽¹⁾	–	–	500,000,000	100.00
Scheme Shareholders				
Founder Holdco ⁽²⁾	294,800,000	58.96	–	–
Disinterested Shareholders				
– Elite Ocean Ventures Limited ⁽³⁾	80,200,000	16.04	–	–
– Other Disinterested Shareholders	125,000,000	25.00	–	–
Sub-total	205,200,000	41.04	–	–
Aggregate number of Shares held by Scheme Shareholders	<u>500,000,000</u>	<u>100.00</u>	–	–
Total number of Shares in issue	<u>500,000,000</u>	<u>100.00</u>	<u>500,000,000</u>	<u>100.00</u>

Notes:

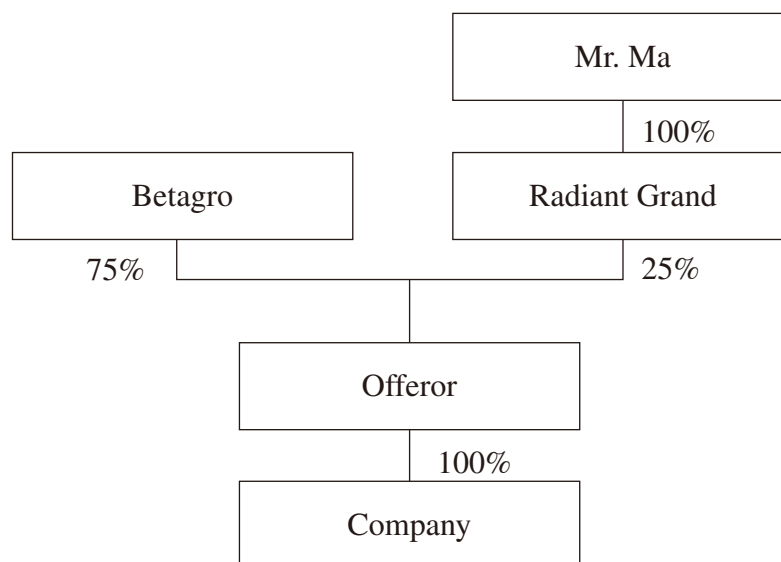
- As at the date of this joint announcement, the Offeror is directly held as to 75% by Betagro and 25% by the Founder Holdco (an investment holding company wholly-owned by Mr. Ma). Pursuant to the terms of the Proposal and the Shareholders' Deed, the Offeror shall be held as to 75% by Betagro and 25% by the Founder Holdco upon the Scheme becoming effective.
- As at the date of this joint announcement, the Founder Holdco is wholly-owned by Mr. Ma. Therefore, Mr. Ma is deemed to be interested in the Shares in which the Founder Holdco is interested by virtue of the SFO.
- As at the date of this joint announcement, Elite Ocean Ventures Limited is wholly-owned by Mr. Lim Joo Boon, a third party independent of the Founder Holdco, Mr. Ma and other Directors.

4. Save for (i) Mr. Ma (an executive Director) who is deemed to be interested in the 294,800,000 Shares held by the Founder Holdco (please refer to Note 1 above); and (ii) Ms. Lim Siok Eng (an executive Director) who is deemed to be interested in the 294,800,000 Shares in which Mr. Ma is deemed to be interested by virtue of the SFO as she is the spouse of Mr. Ma, none of the Directors hold or is interested in any Shares as at the date of this joint announcement.
5. All percentages in the above table are approximations and rounded to the nearest two decimal places and the aggregate percentages may not add up due to rounding of the percentages to two decimal places.

Set out below is a simplified shareholding structure of the Company as at the date of this joint announcement:



Set out below is a simplified shareholding structure of the Company immediately upon the Effective Date:



7. VOTING AT THE COURT MEETING AND THE EGM

Only Scheme Shareholders as at the Meeting Record Date may attend and vote at the Court Meeting to approve the Scheme. The Offeror will provide undertakings to the Grand Court to be bound by the Scheme, so as to ensure that it will comply with and be subject to the terms and conditions of the Scheme. The Founder Holdco will (a) approve the Scheme in writing and (b) provide an undertaking to the Grand Court (i) not to attend and vote at the Court Meeting; and (ii) to agree to be bound by the Scheme.

All Shareholders as at the Meeting Record Date will be entitled to attend the EGM and to vote on (i) the special resolution to approve and give effect to any reduction of the issued share capital by cancelling the Scheme Shares; and (ii) the ordinary resolution to approve the simultaneous issue to the Offeror of such number of new Shares as is equal to the number of Scheme Shares cancelled and apply the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such new Shares. In respect of the ordinary resolution in connection with the special deal relating to the Offeror Cooperation Arrangement, only Disinterested Shareholders (i.e. Scheme Shareholders other than the Founder Holdco) can vote thereon.

Pursuant to the Deed of Indemnity, the Founder Holdco has undertaken to, among other things, vote in favour of all matters necessary for the implementation of the Scheme at the EGM except for matters which the Founder Holdco is required to abstain from voting.

8. INFORMATION ON THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability whose Shares have been listed on GEM of the Hong Kong Stock Exchange since 7 September 2018. The Company is an investment holding company and the Group is principally engaged in the production and sale of fresh eggs and processed egg products in Singapore.

Based on the published audited consolidated financial statements of the Company prepared in accordance with the International Financial Reporting Standards, the table below sets out the financial information of the Group for the three financial years ended 31 March 2024:

	For the year ended 31 March		
	2022	2023	2024
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
	<i>(Note)</i>	<i>(Note)</i>	<i>(Note)</i>
Revenue	67,058	95,766	108,417
Profit before tax	3,786	10,373	23,217
Profit after tax	3,533	8,675	19,224

Note: Equivalent amount in HK\$ as follows:

	For the year ended 31 March		
	2022	2023	2024
	HK\$'000	HK\$'000	HK\$'000
Revenue	401,677	573,638	649,418
Profit before tax	22,678	62,134	139,070
Profit after tax	21,163	51,963	115,152

As at 31 March 2024, the audited consolidated net asset value of the Company was approximately S\$65.88 million (equivalent to approximately HK\$394.62 million).

9. INFORMATION ON THE OFFEROR

The Offeror is a private company limited by shares incorporated in Singapore on 12 August 2024. It is an investment holding company and does not hold any assets or businesses as at the date of this joint announcement.

As at the date of this joint announcement, the Offeror is directly held as to 75% by Betagro and 25% by the Founder Holdco (an investment holding company wholly owned by Mr. Ma). Betagro is a leading integrated agro-industrial and food company based in Thailand and principally engages in production and distribution of animal feed, animal pharmaceuticals and supplements, livestock, pork products, chicken meat, eggs, and processed food for domestic consumption and export. The shares of Betagro are listed on The Stock Exchange of Thailand (Stock Code: BTG) as at the date of this joint announcement. As at the date of this joint announcement, Betagro has over 18,000 shareholders. Its major shareholders are BETAGRO HOLDING CO., LTD., which held approximately 37.80% equity interest in Betagro, and TAE HK Investment Limited, which held approximately 20.67% equity interest in Betagro. No other shareholders held more than 10% equity interest in Betagro as at the date of this joint announcement. BETAGRO HOLDING CO., LTD. is majority-controlled by the Taephaisitphongse family and TAE HK Investment Limited is wholly-owned by the Taephaisitphongse family.

The Founder Holdco is an investment holding company wholly-owned by Mr. Ma and it directly holds 294,800,000 Shares (representing 58.96% of the issued Shares) as at the date of this joint announcement.

10. INTENTION OF THE OFFEROR WITH REGARD TO THE GROUP

Following implementation of the Proposal, the Offeror intends to work together with the Company's management to review the structure, business and strategy of the Group and, subject to result of such review and prevailing market conditions, implement appropriate strategies to enhance the Group's business.

As at the date of this joint announcement, it is the intention of the Offeror for the Group to continue to carry on its existing business and the Offeror does not have any plan to immediately make any material change to: (a) the business of the Group (including any redeployment of any fixed asset of the Group); or (b) the continued employment of the employees of the Group (other than in the ordinary course of business).

11. INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Sneddon Donald William, Mr. Yuen Ka Lok Ernest and Mr. Lew Chern Yong, has been established by the Board to make recommendations to the Disinterested Shareholders as to: (i) whether the terms of the Proposal (including the Offeror Cooperation Arrangement) and the Scheme are, or are not, fair and reasonable; and (ii) whether to vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal (including the Offeror Cooperation Arrangement) at the EGM.

12. INDEPENDENT FINANCIAL ADVISER

Opus Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal and the Scheme. Such appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code. The letter of advice of the Independent Financial Adviser to the Independent Board Committee in connection with the Proposal (including the Offeror Cooperation Arrangement) and the Scheme will be included in the Scheme Document to be despatched jointly by the Company and the Offeror to the Shareholders.

13. REASONS FOR AND BENEFITS OF THE PROPOSAL

To the Company:

The privatisation of the Company will permit the Offeror and the Company to make strategic decisions focused on long-term commercial development and benefits, free from the pressure of market expectations and share price fluctuations which arise from the Company being a publicly listed company. While the Group's key executives (including Mr. Ma) are approaching retirement age, the Proposal put forth by the Offeror provides a smooth transition of leadership and management and is expected to create synergies and strengthen the competitiveness of the merged businesses within the market.

The Proposal, which entails the delisting of the Company, is also expected to reduce the administrative costs and management resources associated with maintaining the Company's listing status and compliance with regulatory requirements and, in turn, allow greater flexibility for the Offeror and the Company to manage the Group's business.

The Company has not conducted any equity fund raising activities in recent years, and it is expected that continued listing of the Shares may not provide any meaningful benefit to the Company in the near future. Betagro, which holds 75% interest in the Offeror as at the date of this joint announcement and upon the Scheme becoming effective, is a publicly listed company in Thailand and will have access to capital market for equity fund raising activities to support capital needs and long-term development of the Offeror Group upon the Scheme becoming effective.

To the Scheme Shareholders:

The Proposal is an opportunity for Scheme Shareholders to monetise their Shares amidst challenging market and industry conditions.

The average daily trading volume of Shares for the approximate 1-month period, 3-month period and 12-month period up to and including the Last Trading Date were approximately 156,087 Shares, 167,031 Shares and 75,528 Shares per trading day, representing only approximately 0.031%, 0.033% and 0.015% respectively of the total number of issued Shares as at the date of this joint announcement.

The low trading liquidity of the Shares could make it difficult for Scheme Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares. As such, the Scheme presents an immediate opportunity for Scheme Shareholders to monetise their investments for cash and redeploy the proceeds from accepting the Scheme into other investment opportunities.

The Proposal allows an exit for the Scheme Shareholders at a compelling premium to the current market price. The Cancellation Price represents a significant premium ranging from approximately 122.4% to approximately 233.2% over the average closing price per Share for the period as set out in the section headed “2. Terms of the Proposal” above in this joint announcement. The Cancellation Price also represents a significant premium of approximately 40.2% over the audited consolidated net asset value attributable to Shareholders per Share of approximately HK\$0.787 as at 31 March 2024. Having taken into account the Additional Price of HK\$0.082 per Other Scheme Share, such Cancellation Price plus Additional Price of HK\$1.185 per Other Scheme Share payable to the Other Scheme Shareholders represents a significant premium ranging from approximately 138.9% to approximately 258.0% over the average closing price per Share for the period as set out in the section headed “2. Terms of the Proposal” above in this joint announcement. Such Cancellation Price plus Additional Price also represents a significant premium of approximately 50.6% over the audited consolidated net asset value attributable to Shareholders per Share of approximately HK\$0.787 as at 31 March 2024.

14. WITHDRAWAL OF LISTING OF THE SHARES ON GEM OF THE HONG KONG STOCK EXCHANGE

Upon the Scheme becoming effective, all of the Scheme Shares will be cancelled and the share certificates in respect of the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will make an application to the Hong Kong Stock Exchange for the withdrawal of the listing of the Shares on GEM of the Hong Kong Stock Exchange in accordance with Rule 9.23 of the GEM Listing Rules with effect immediately following the Effective Date.

The Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the Shares on GEM of the Hong Kong Stock Exchange and the day on which the Scheme and the withdrawal of the listing of the Shares on GEM of the Hong Kong Stock Exchange will become effective. A detailed timetable of the implementation of the Proposal will be included in the Scheme Document, which will also contain, among other things, further details of the Scheme.

15. IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

Subject to the requirements of the Takeovers Code, the Proposal and the Scheme will lapse if any of the Conditions has not been fulfilled or (where applicable) waived on or before the Long Stop Date. If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares on GEM of the Hong Kong Stock Exchange will not be withdrawn.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under Rule 31.1 of the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive.

16. GENERAL MATTERS RELATING TO THE PROPOSAL

Overseas holders of the Scheme Shares

The availability of the Proposal to persons who are citizens, residents or nationals of a jurisdiction other than Hong Kong may be affected by the laws of the relevant jurisdiction in which they are located or resident or of which they are citizens. Such overseas Scheme Shareholders should inform themselves about and observe any applicable legal, regulatory or tax requirements in their respective jurisdictions and, where necessary, seek their own legal advice. Further information in relation to overseas Shareholders will be contained in the Scheme Document.

It is the responsibility of the overseas Scheme Shareholders who wish to take any action in relation to the Proposal and the Scheme to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection with any such action, including the obtaining of any governmental, exchange control or other consent which may be required, the compliance with any other necessary formality and the payment of any issue, transfer or other tax in any relevant jurisdiction.

Any approval or acceptance by the Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Offeror, the Company and their respective advisers (including Lego Corporate Finance as the financial adviser to the Offeror) that such laws and regulations have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

In the event that the despatch of the Scheme Document to the overseas Scheme Shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Offeror or the Company regard as unduly onerous or burdensome (or otherwise not in the best interests of the Company or the Shareholders), the Scheme Document may not be despatched to such holders of the Scheme Shares. For that purpose, the Company will apply for such waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time prior to the despatch of the Scheme Document. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such holders of the Scheme Shares. In granting any such waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such overseas Scheme Shareholders.

As at the date of this joint announcement, there are 53 Scheme Shareholders (who collectively hold approximately 0.666% of the total number of issued Shares) whose addresses as shown in the records of the Company are in the People's Republic of China, and there are two Scheme Shareholders, namely the Founder Holdco and Elite Ocean Ventures Limited (who collectively hold 75% of the total number of issued Shares), whose addresses as shown in the records of the Company are in the British Virgin Islands.

Taxation advice

Scheme Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of the Proposal or the Scheme. It is emphasised that none of the Offeror, the Offeror Concert Parties, the Company, Lego Corporate Finance, their respective ultimate beneficial owners, directors, officers, employees, agents and associates and any other person involved in the Proposal or the Scheme accepts any responsibility for any taxation effects on, or liabilities of, any person as a result of the Proposal or the Scheme.

Costs of the Scheme

If the Scheme is either not recommended by the Independent Board Committee or the Independent Financial Adviser as fair and reasonable, and the Scheme is not approved, all costs and expenses incurred by the Company in connection with the Proposal and the Scheme shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code.

Other arrangements

As at the date of this joint announcement:

- (a) there are no convertible securities, warrants or options convertible into Shares held, controlled or directed by the Offeror or any of the Offeror Concert Parties;
- (b) none of the Offeror nor any of the Offeror Concert Parties has dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares during the six months prior to and including the date of this joint announcement;
- (c) neither the Offeror nor any of the Offeror Concert Parties has entered into any outstanding derivative in respect of the securities in the Company;
- (d) neither the Offeror nor any of the Offeror Concert Parties has borrowed or lent any Shares or any other relevant securities of the Company;
- (e) save for the undertaking given by the Founder and the Founder Holdco in the Deed of Indemnity as set out in the section headed "5. Arrangements Material to the Proposal – Special Deal relating to the Offeror Cooperation Arrangement – (iii) Deed of Indemnity" above in this joint announcement, no irrevocable commitment to vote for or against the Scheme has been received by the Offeror or any of the Offeror Concert Parties;

- (f) save for the Offeror Cooperation Arrangement, there are no arrangements (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares or the shares of the Offeror between the Offeror or any of the Offeror Concert Parties and any other person which might be material to the Proposal;
- (g) save for the Offeror Cooperation Arrangement, there is no agreement or arrangement to which the Offeror or any of the Offeror Concert Parties is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a Condition to the Proposal or the Scheme;
- (h) save for the Offeror Cooperation Arrangement, there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii) either (a) the Offeror or the Offeror Concert Parties; or (b) the Company or the Company's subsidiaries or associated companies; and
- (i) save for the Cancellation Price and the Additional Price, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or any of the Offeror Concert Parties to the Scheme Shareholders in connection with the Proposal or the Scheme.

Despatch of the Scheme Document

The Scheme Document containing, among other things: (a) further details of the Proposal (including the Offeror Cooperation Arrangement) and the Scheme; (b) an explanatory statement in respect of the Scheme as required under the Companies Act and the rules of the Grand Court; (c) the expected timetable relating to the Proposal and the Scheme; (d) a letter from the Independent Board Committee containing its recommendations to the Disinterested Shareholders in respect of the Proposal (including the Offeror Cooperation Arrangement) and the Scheme; (e) a letter of advice from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Proposal (including the Offeror Cooperation Arrangement) and the Scheme; and (f) notices of the Court Meeting and the EGM (including proxy forms relating to such meetings for use by the relevant Shareholders), will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and Applicable Laws.

The Scheme Document will contain important information, and the Disinterested Shareholders or the Shareholders (as the case may be) are urged to read the Scheme Document carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting and/or the EGM. Any voting or other response to the Proposal should be made only on the basis of information in the Scheme Document or any other document by which the Proposal is made.

17. RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on GEM of the Hong Kong Stock Exchange was halted from 9:00 a.m. on Friday, 16 August 2024, pending the publication of this joint announcement.

An application has been made by the Company to the Hong Kong Stock Exchange for the resumption of trading in the Shares on GEM of the Hong Kong Stock Exchange with effect from 9:00 a.m. on Friday, 30 August 2024.

18. DISCLOSURE OF DEALINGS

In accordance with Rule 3.8 of the Takeovers Code, the respective associates of the Offeror and the Company, including any person who owns or controls 5% or more of any class of the relevant securities of the Offeror or the Company, are hereby reminded to disclose their dealings in any relevant securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below.

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

19. DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“Additional Price”	the additional price of HK\$0.082 per Other Scheme Share payable to the Other Scheme Shareholders pursuant to the Scheme. Such additional price is equal to the compensation to the Founder in consideration for his compliance with the non-compete and non-solicit restrictions of S\$4,000,000 (equivalent to approximately HK\$23.97 million) under the Service Deed (details of which are set out in the section headed “5. Arrangements Material to the Proposal – Special Deal relating to the Offeror Cooperation Arrangement – (ii) Service Deed” above in this joint announcement), divided by 294,800,000 Scheme Shares held by the Founder Holdco
“Applicable Laws”	any and all laws, rules, regulations, judgments, decisions, decrees, orders, injunctions, treaties, directives, guidelines, standards, notices and/or other legal, regulatory and/or administrative requirements of any Authority
“Approval”	any approval, authorisation, ruling, permission, waiver, consent, licence, permit, clearance, registration or filing which is required or desirable under any Applicable Law or by any Authority, or any licence, permit or contractual obligation of any member of the Group, for or in connection with the Proposal or the implementation of the Proposal in accordance with its terms and conditions (including the withdrawal of the listing of the Shares on GEM of the Hong Kong Stock Exchange), in each case excluding any filing or notification to any Authority which does not require such Authority’s approval, acknowledgement, permission, consent or clearance
“associate(s)”	has the meaning ascribed to it under the Takeovers Code

“Authority”	any supranational, national, federal, state, regional, provincial, municipal, local or other government, governmental, quasi-governmental, legal, regulatory or administrative authority, department, branch, agency, commission, bureau or body (including any securities or stock exchange) or any court, tribunal, or judicial or arbitral body
“Betagro”	Betagro Public Company Limited, a company incorporated in Thailand with limited liability and the shares of which are listed on The Stock Exchange of Thailand (Stock Code: BTG)
“Board”	the board of Directors
“Cancellation Price”	the offer price of HK\$1.103 for the cancellation of each Scheme Share payable to the Scheme Shareholders pursuant to the Scheme
“Companies Act”	the Companies Act (2023 Revision) (as revised) of the Cayman Islands
“Company”	Eggriculture Foods Ltd., a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM of the Hong Kong Stock Exchange (Stock Code: 8609)
“concert party(ies)”	party(ies) acting in concert
“Condition(s)”	the condition(s) to the implementation of the Proposal and the Scheme as set out in the section headed “3. Conditions of the Proposal and the Scheme” in this joint announcement
“controlling shareholder”	has the meaning ascribed to it in the GEM Listing Rules
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the Grand Court at which the Scheme (with or without modifications) will be voted upon, or any adjournment thereof

“Deed of Indemnity”	the deed of indemnity dated 15 August 2024 executed by Mr. Ma and the Founder Holdco in favour of the Offeror, as amended by the Supplemental Deed of Indemnity, the key terms of which are described in the section headed “5. Arrangements Material to the Proposal – Special Deal relating to the Offeror Cooperation Arrangement – (iii) Deed of Indemnity” above in this joint announcement
“Director(s)”	the director(s) of the Company
“Disinterested Shareholder(s)”	all of the Scheme Shareholder(s), other than the Founder Holdco, Mr. Ma and Betagro and their respective concert parties, and Shareholders who are interested or involved in the Offeror Cooperation Arrangement
“EBITDA”	earnings before interest, taxes, depreciation and amortisation
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Act and the Conditions
“EGM”	an extraordinary general meeting of the Company to be convened for the purposes of passing all necessary resolutions for, among other things, the implementation of the Scheme, or any adjournment thereof
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate(s) of the Executive Director
“Founder Rollover Scheme Share(s)”	the Scheme Share(s) held by the Founder Holdco, which will be cancelled on the Effective Date in consideration for the Cancellation Price, which shall be satisfied by the Offeror allotting and issuing Offeror Shares to the Founder Holdco credited as fully paid
“Founder Scheme Share(s)”	the Scheme Share(s) held by the Founder Holdco, which will be cancelled on the Effective Date in consideration for the Cancellation Price which shall be paid by the Offeror in cash under the Scheme
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited
“Grand Court”	the Grand Court of the Cayman Islands

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Implementation Agreement”	the implementation agreement dated 15 August 2024 entered into between the Offeror and the Company pursuant to which the parties have agreed to pursue the Proposal, the key terms of which are described in the section headed “5. Arrangements Material to the Proposal – Implementation Agreement” above in this joint announcement
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, namely Mr. Sneddon Donald William, Mr. Yuen Ka Lok Ernest and Mr. Lew Chern Yong
“Independent Financial Adviser” or “Opus Capital”	Opus Capital Limited, a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee in relation to the Proposal and the Scheme
“Last Trading Date”	15 August 2024, being the last day on which the Shares were traded on GEM of the Hong Kong Stock Exchange immediately prior to publication of this joint announcement
“Lego Corporate Finance”	Lego Corporate Finance Limited, a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Offeror in relation to the Proposal and the Scheme
“Long Stop Date”	14 August 2025 (or such later date as may be agreed between the Offeror and the Company or, to the extent applicable, as the Grand Court may direct and in all cases, as permitted by the Executive), being the last date the Conditions can be fulfilled or waived (as applicable), failing which the Proposal and the Scheme will lapse

“Meeting Record Date”	the record date to be announced for the purpose of determining the entitlement of the Scheme Shareholders to attend and vote at the Court Meeting and the entitlement of the Shareholders to attend and vote at the EGM
“Mr. Ma” or “Founder”	Mr. Ma Chin Chew, an executive Director, the chairman of the Board and the chief executive officer of the Company, and a controlling shareholder of the Company as at the date of this joint announcement
“Offeror”	BETAGRO FOODS (SINGAPORE) PTE. LTD., a private company limited by shares incorporated in Singapore, which is directly held as to 75% by Betagro and 25% by the Founder Holdco as at the date of this joint announcement
“Offeror Concert Party(ies)”	person(s) who is/are acting in concert or presumed to be acting in concert with the Offeror under the Takeovers Code, including the Founder Holdco, Mr. Ma and Betagro and their respective concert parties
“Offeror Cooperation Arrangement”	the Shareholders’ Deed, the Service Deed and the Deed of Indemnity
“Offeror Group”	the Offeror and its subsidiaries (which will include the Group upon the Scheme becoming effective)
“Offeror Share(s)”	ordinary share(s) in the share capital of the Offeror
“Other Scheme Share(s)”	the Scheme Share(s) other than the Founder Scheme Share(s) and the Founder Rollover Scheme Share(s)
“Other Scheme Shareholder(s)”	all of the Scheme Shareholders other than the Founder Holdco
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme and the withdrawal of the listing of the Shares on GEM of the Hong Kong Stock Exchange, on the terms and subject to the Conditions set out in this joint announcement

“Radiant Grand” or “Founder Holdco”	Radiant Grand International Limited, a company incorporated in the British Virgin Islands with limited liability, which is legally and beneficially wholly-owned by Mr. Ma (i.e. the Founder). As at the date of this joint announcement, Radiant Grand holds 294,800,000 Shares (representing approximately 58.96% of the issued Shares) and is a controlling shareholder of the Company as at the date of this joint announcement
“relevant securities”	has the meaning ascribed to it in Note 4 to Rule 22 of the Takeovers Code
“Scheme”	the scheme of arrangement to be proposed under section 86 of the Companies Act for the implementation of the Proposal
“Scheme Document”	the composite scheme document of the Offeror and the Company containing, among other things, further details of the Proposal together with the additional information set out in the section headed “16. General Matters Relating to the Proposal – Despatch of the Scheme Document” in this joint announcement
“Scheme Record Date”	the record date to be announced for the purpose of determining the entitlements of the Scheme Shareholders under the Scheme
“Scheme Share(s)”	the Share(s) in issue on the Scheme Record Date
“Scheme Shareholder(s)”	the registered holder(s) of the Scheme Share(s)
“Service Deed”	the service deed dated 15 August 2024 entered into between the Offeror and Mr. Ma pursuant to which Mr. Ma agrees to be employed by the Offeror after completion of the Proposal, the key terms of which are described in the section headed “5. Arrangements Material to the Proposal – Special Deal relating to the Offeror Cooperation Arrangement – (ii) Service Deed” above in this joint announcement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

“Shareholder(s)”	the registered holder(s) of the Share(s)
“Shareholders’ Deed”	the subscription and shareholders’ deed dated 15 August 2024 entered into among Betagro, the Founder Holdco, Mr. Ma and the Offeror in respect of the governance of the Offeror, as amended by the Supplemental Shareholders’ Deed, the key terms of which are described in the section headed “5. Arrangements Material to the Proposal – Special Deal relating to the Offeror Cooperation Arrangement – (i) Shareholders’ Deed” above in this joint announcement
“Supplemental Deed of Indemnity”	the supplemental deed of indemnity dated 29 August 2024 executed by Mr. Ma and the Founder Holdco in favour of the Offeror to amend and supplement certain terms and conditions of the Deed of Indemnity
“Supplemental Shareholders’ Deed”	the supplemental subscription and shareholders’ deed dated 29 August 2024 entered into among Betagro, the Founder Holdco, Mr. Ma and the Offeror to amend and supplement certain terms and conditions of the Shareholders’ Deed
“S\$”	Singapore dollars, the lawful currency of Singapore
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers as amended from time to time
“U.S.” or “United States”	the United States of America
“%”	per cent

* For the purpose of this joint announcement, all amounts denominated in S\$ has been translated (for information only) into HK\$ using the exchange rate of S\$1.00: HK\$5.99 as announced by the Monetary Authority of Singapore on the date of this joint announcement. Such translation shall not be construed as a representation that amounts of S\$ was or may have been converted.

By order of the board of
BETAGRO FOODS
(SINGAPORE) PTE. LTD.
Chayadhorn Taepaisitphongse
Director

By order of the Board
Eggriculture Foods Ltd.
Ma Chin Chew
Chairman, Executive Director and
Chief Executive Officer

Hong Kong, 29 August 2024

As at the date of this joint announcement, the directors of the Offeror are Mr. Vasit Taepaisitphongse, Mr. Chayadhorn Taepaisitphongse, Mr. Worrawut Vanitkulbodee and Mr. Ma Chin Chew.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group and the Founder Holdco) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Directors in their capacity as the Directors and by Mr. Ma in his capacity as the sole director of the Founder Holdco) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the directors of Betagro are Mr. Rapee Sucharitakul, Mr. Vasit Taepaisitphong, Mr. Vanus Taepaisitphongse, Miss Thanomvong Teapaisitphongse, Mrs. Siriwan Intarakumthornchai, Miss Premratn Taephaisitphongse, Miss Piyaporn Taepaisitphongse, Mr. Thaweesak Koanantakool, Mr. Winid Silamongkol, Mrs. Tongurai Limpiti and Mr. Tanawong Areeratchakul.

The directors of Betagro jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group and the Founder Holdco) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Directors in their capacity as the Directors and by Mr. Ma in his capacity as the sole director of the Founder Holdco) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the sole director of the Founder Holdco is Mr. Ma Chin Chew.

The sole director of the Founder Holdco accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group and the Offeror) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Directors in their capacity as the Directors and by the directors of the Offeror in their capacity as the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the executive Directors are Mr. Ma Chin Chew (Chairman and Chief Executive Officer), Ms. Lim Siok Eng and Mr. Tang Hong Lai; and the independent non-executive Directors are Mr. Sneddon Donald William, Mr. Yuen Ka Lok Ernest and Mr. Lew Chern Yong.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror and the Founder Holdco) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the directors of the Offeror in their capacity as the directors of the Offeror and by Mr. Ma in his capacity as the sole director of the Founder Holdco) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.