

---

## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

---

If you are in doubt as to any aspect of the Proposal, the Scheme, this Scheme Document or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or otherwise transferred all your shares in EGGRICULTURE FOODS LTD., you should at once hand this Scheme Document and the accompanying forms of proxy to the purchaser or the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Scheme Document, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Scheme Document.

This Scheme Document appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Offeror or EGGRICULTURE FOODS LTD.

---

### **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)**

## **(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. AND (3) SPECIAL DEAL RELATING TO THE OFFEROR COOPERATION ARRANGEMENT**

**Financial Adviser to the Offeror**



**Independent Financial Adviser to the Independent Board Committee**



---

Capitalised terms used hereunder shall have the same meanings as defined in this Scheme Document.

A letter from the Board is set out in Part IV of this Scheme Document. A letter from the Independent Board Committee containing its advice to the Disinterested Shareholders in relation to the Proposal and the Scheme is set out in Part V of this Scheme Document. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Proposal and the Scheme is set out in Part VI of this Scheme Document. The Explanatory Memorandum is set out in Part VII of this Scheme Document.

The actions to be taken by the Shareholders are set out in Part II of this Scheme Document.

Notices convening the Court Meeting and the EGM to be held at Suite 3701-10, Jardine House, 1 Connaught Place, Central, Hong Kong on Thursday, 12 December 2024 at 10:30 a.m. and 11:00 a.m. (or, if later, immediately after the conclusion or adjournment of the Court Meeting) respectively are set out in Appendix V and Appendix VI to this Scheme Document respectively. Whether or not you are able to attend the Court Meeting and/or EGM or any adjournment or postponement thereof in person, you are strongly urged to complete and sign the enclosed PINK form of proxy in respect of the Court Meeting and the enclosed WHITE form of proxy in respect of the EGM, in accordance with the instructions printed thereon, and to deposit them at the Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, but in any event no later than the respective times and dates stated under Part II — "Actions to be Taken" of this Scheme Document. If the PINK form of proxy is not so lodged, it may alternatively be handed to the chairman of the Court Meeting at the commencement of the Court Meeting who shall have absolute discretion as to whether or not to accept it. If the WHITE form of proxy is not so lodged, it will not be valid.

This Scheme Document is jointly issued by the Company and the Offeror.

The English language text of this Scheme Document shall prevail over the Chinese language text.

25 October 2024

## **NOTICE TO OVERSEAS SCHEME SHAREHOLDERS**

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.

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.

If you are an overseas Scheme Shareholder, your attention is drawn to the section headed “18. Overseas Scheme Shareholders” in Part VII — “Explanatory Memorandum” of this 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 Scheme Document is accurate or complete. Any representation to the contrary is a criminal offence in the United States.

This Scheme Document 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.

#### **PAST PERFORMANCE AND FORWARD-LOOKING STATEMENTS**

The performance and the results of operations of the Group contained in this Scheme Document are historical in nature and past performance is not a guarantee of the future results of the Group.

This Scheme Document 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 Scheme Document, and may not be indicative of results or developments in subsequent periods. The forward-looking statements and information contained in this Scheme Document 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.

---

## CHARACTERISTICS OF GEM

---

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Hong Kong Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Hong Kong Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

---

## CONTENTS

---

	<i>Page</i>
<b>PART I</b>	<b>DEFINITIONS</b> . . . . . 1
<b>PART II</b>	<b>ACTIONS TO BE TAKEN</b> . . . . . 10
<b>PART III</b>	<b>EXPECTED TIMETABLE</b> . . . . . 14
<b>PART IV</b>	<b>LETTER FROM THE BOARD</b> . . . . . 17
<b>PART V</b>	<b>LETTER FROM THE INDEPENDENT BOARD COMMITTEE</b> . . . . . 26
<b>PART VI</b>	<b>LETTER FROM THE INDEPENDENT FINANCIAL ADVISER</b> . . . . . 28
<b>PART VII</b>	<b>EXPLANATORY MEMORANDUM</b> . . . . . 76
<b>APPENDIX I</b>	<b>FINANCIAL INFORMATION OF THE GROUP</b> . . . . . I-1
<b>APPENDIX II</b>	<b>GENERAL INFORMATION</b> . . . . . II-1
<b>APPENDIX III</b>	<b>PROPERTY VALUATION REPORT</b> . . . . . III-1
<b>APPENDIX IV</b>	<b>THE SCHEME</b> . . . . . IV-1
<b>APPENDIX V</b>	<b>NOTICE OF COURT MEETING</b> . . . . . V-1
<b>APPENDIX VI</b>	<b>NOTICE OF EGM</b> . . . . . VI-1

*In this Scheme Document, the following words and expressions shall have the following meanings unless the context otherwise requires:*

“acting in concert”	has the meaning ascribed to it under 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” in Part VII — “Explanatory Memorandum” of this Scheme Document), divided by 294,800,000 Scheme Shares held by the Founder Holdco
“Announcement”	the announcement dated 29 August 2024 jointly issued by the Company and the Offeror in relation to, among other things, the Proposal and the Scheme
“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), 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
“Beneficial Owner”	any beneficial owner of the Shares whose Shares are registered in the name of a Registered Owner other than himself or herself
“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
“Business Day”	a day on which the Hong Kong Stock Exchange is open for the transaction of business
“Cancellation Price”	the cancellation price of HK\$1.103 for the cancellation of each Scheme Share payable to the Scheme Shareholders pursuant to the Scheme
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“CCASS Participant”	a person admitted to participate in CCASS as a participant, including an Investor Participant
“Companies Act”	the Companies Act (2023 Revision) of the Cayman Islands (As Revised)
“Company”	Eggriculture Foods Ltd., a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM (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 Part VII — “Explanatory Memorandum” of this Scheme Document
“controlling shareholder”	has the meaning ascribed to it in the GEM Listing Rules
“Court Hearing”	the hearing of the petition by the Grand Court for the sanction of the Scheme
“Court Meeting”	a meeting of the Scheme Shareholders convened at the directions of the Grand Court to be held at 10:30 a.m. on Thursday, 12 December 2024 at Suite 3701-10, Jardine House, 1 Connaught Place, Central, Hong Kong, at which the Scheme (with or without modifications) will be voted upon, or any adjournment or postponement 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” in Part VII — “Explanatory Memorandum” of this Scheme Document
“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 held at 11:00 a.m. on Thursday, 12 December 2024 (or, if later, immediately after the conclusion or adjournment of the Court Meeting) at Suite 3701-10, Jardine House, 1 Connaught Place, Central, Hong Kong, for the purpose of considering and, if thought fit, approving all necessary resolutions for the implementation of the Proposal, or any adjournment or postponement thereof
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate(s) of the Executive Director
“exempt fund managers”	has the meaning ascribed to it in the Takeovers Code
“exempt principal traders”	has the meaning ascribed to it in the Takeovers Code
“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
“GEM”	GEM of the Hong Kong Stock Exchange
“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 dollar(s), the lawful currency of Hong Kong
“HKSCC Nominees”	HKSCC Nominees Limited
“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” in Part VII — “Explanatory Memorandum” of this Scheme Document
“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
“Independent Property Valuer” or “BonVision”	BonVision International Appraisals Limited, being the independent property valuer to the Company which carried out a valuation of the Group’s property interests, further details of which are set out in Appendix III to this Scheme Document
“Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“Last Trading Date”	15 August 2024, being the last day on which the Shares were traded on GEM immediately prior to publication of the Announcement
“Latest Practicable Date”	22 October 2024, being the latest practicable date for ascertaining certain information contained in this Scheme Document
“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”	Thursday, 12 December 2024, or such other date as shall have been announced to the Shareholders, being the record date for the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the entitlements 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 Latest Practicable Date
“Offer Period”	has the meaning ascribed to it in the Takeovers Code, which commenced on 29 August 2024, being the date of the Announcement
“Offeror”	BETAGRO FOODS (SINGAPORE) PTE. LTD., a private company limited by shares incorporated in Singapore, which was directly held as to 75% by Betagro and 25% by the Founder Holdco as at the Latest Practicable Date
“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 CCASS Participant”	a broker, custodian, nominee or other relevant person who is, or has deposited Shares with, a CCASS Participant

“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, on the terms and subject to the Conditions set out in this Scheme Document
“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 Latest Practicable Date, Radiant Grand held 294,800,000 Shares (representing approximately 58.96% of the issued Shares) and was a controlling shareholder of the Company
“Registered Owner”	any person (including without limitation a nominee, trustee, depositary or any other authorised custodian or third party) whose name is entered in the register of members of the Company as a holder of the Shares
“Relevant Period”	the period commencing on 29 February 2024, being the date that falls six months prior to the date of the Announcement, and ending on the Latest Practicable Date
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“relevant securities”	has the meaning ascribed to it in Note 4 to Rule 22 of the Takeovers Code
“Scheme”	the scheme of arrangement under section 86 of the Companies Act between the Company and the Scheme Shareholders for the implementation of the Proposal

“Scheme Document”	this composite scheme document of the Offeror and the Company, including each of the letters, statements, appendices and notices in it, as may be amended or supplemented from time to time, and containing, among other things, further details of the Proposal, a letter from the Board, the recommendations of the Independent Board Committee, a letter of advice from the Independent Financial Adviser to the Independent Board Committee and notices to convene the Court Meeting and EGM together with forms of proxy in relation thereto
“Scheme Record Date”	Thursday, 2 January 2025 or such other date as shall have been announced to the Shareholders, being the record date 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” in Part VII — “Explanatory Memorandum” of this Scheme Document
“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” in Part VII — “Explanatory Memorandum” of this Scheme Document
“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 dollar(s), the lawful currency of Singapore
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers as amended from time to time
“trading day”	a day on which the Hong Kong Stock Exchange is open for the business of dealings in securities
“U.S.” or “United States”	the United States of America
“%”	per cent

- \* For the purpose of this Scheme Document, all amounts denominated in S\$ have 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 the Announcement. Such translation shall not be construed as a representation that amounts of S\$ was or may have been converted.

*All references in this Scheme Document to times and dates are references to Hong Kong times and dates, except as otherwise specified and except for references to the expected date of the Court Hearing and the Effective Date, which are the relevant dates in the Cayman Islands. For reference only, Cayman Islands time is 13 hours behind Hong Kong time as at the date of this Scheme Document.*

**1. ACTIONS TO BE TAKEN BY SHAREHOLDERS**

For the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 6 December 2024 to Thursday, 12 December 2024 (both days inclusive) and during such period, no transfer of Shares will be registered. In order to qualify to attend and vote at the Court Meeting and the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. on Thursday, 5 December 2024.

A **PINK** form of proxy for use at the Court Meeting and a **WHITE** form of proxy for use at the EGM are enclosed with this Scheme Document. A subsequent purchaser of Shares will need to obtain a form of proxy from the transferor if he/she/it wishes to attend or vote at the Court Meeting and/or the EGM.

Whether or not you are able to attend the Court Meeting and/or EGM or any adjournment or postponement thereof in person, if you are a Scheme Shareholder, you are strongly urged to complete and sign the enclosed **PINK** form of proxy in respect of the Court Meeting in accordance with the instructions printed thereon, and if you are a Shareholder, you are strongly urged to complete and sign the enclosed **WHITE** form of proxy in respect of the EGM in accordance with the instructions printed thereon, and to deposit them at the Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, but in any event no later than the following times and dates:

- the **PINK** form of proxy for use at the Court Meeting should be lodged no later than 10:30 a.m. on Tuesday, 10 December 2024 but if it is not so lodged, it may alternatively be handed to the chairman of the Court Meeting at the commencement of the Court Meeting (who shall have absolute discretion as to whether or not to accept it); and
- the **WHITE** form of proxy for use at the EGM must be lodged no later than 11:00 a.m. on Tuesday, 10 December 2024, failing which it will not be valid.

The completion and return of a form of proxy for the Court Meeting and/or the EGM will not preclude you from attending and voting in person at the relevant meeting. In such event, the returned form of proxy shall be revoked by operation of law.

Voting at the Court Meeting and the EGM will be taken by poll as required under the GEM Listing Rules and the Takeovers Code.

If you do not appoint a proxy and you do not attend and vote at the Court Meeting and/or the EGM, you will still be bound by the outcome of the Court Meeting and the EGM. You are therefore strongly urged to attend and vote at the Court Meeting and/or the EGM in person or by proxy.

The Company and the Offeror will make an announcement in relation to the results of the Court Meeting and the EGM on Thursday, 12 December 2024 by no later than 7:00 p.m. If all of the resolutions are passed at the Court Meeting and the EGM, further announcement(s) will be made in relation to, among other things, the outcome of the Court Hearing and, if the Scheme is sanctioned, the Scheme Record Date, the Effective Date and the date of withdrawal of the listing of the Shares from GEM, in accordance with the requirements of the Takeovers Code and the GEM Listing Rules.

## **2. ACTIONS TO BE TAKEN BY BENEFICIAL OWNERS WHOSE SHARES ARE HELD BY A REGISTERED OWNER**

No person shall be recognised by the Company as holding any Shares on trust.

If you are a Beneficial Owner whose Share(s) are registered in the name of a Registered Owner (other than HKSCC Nominees), you should contact the Registered Owner and give instructions to and/or make arrangements with the Registered Owner as to the manner in which the Share(s) beneficially owned by you should be voted at the Court Meeting and/or the EGM.

If you are a Beneficial Owner who wishes to attend and vote at the Court Meeting and/or the EGM personally, you should:

- (a) contact the Registered Owner directly to make the appropriate arrangements with the Registered Owner to enable you to attend and vote at the Court Meeting and/or the EGM and, for such purpose, the Registered Owner may appoint you as its proxy; or
- (b) arrange for some or all of the Shares registered in the name of the Registered Owner to be transferred into your own name and become a Registered Owner as at the Meeting Record Date, if you wish to vote (in person or by proxy) at the Court Meeting and/or the EGM.

Instructions to and/or arrangements with the Registered Owner should be given or made in advance of the relevant latest time for the lodgement of forms of proxy in respect of the Court Meeting and the EGM or, as applicable, the latest time for lodging transfers of Shares, in order to provide the Registered Owner with sufficient time to complete his/her/its forms of proxy or transfer documents accurately and to submit them by the relevant deadlines. To the extent that any Registered Owner requires instructions from or arrangements to be made with any Beneficial Owner at a particular date or time in advance of the relevant latest time for the lodgement of forms of proxy in respect of the Court Meeting and/or the EGM or, as applicable, the latest time for lodging transfers of Shares, any such Beneficial Owner should comply with the requirements of such Registered Owner.

The appointment of a proxy by the Registered Owner at the relevant Court Meeting and/or the EGM shall be in accordance with all relevant provisions in the articles of association of the Company.

In the case of the appointment of a proxy by the Registered Owner, the relevant forms of proxy shall be completed and signed by the Registered Owner and shall be



lodged in the manner and before the latest time for lodging the relevant forms of proxy as more particularly set out in this Scheme Document.

The completion and return of a form of proxy for the Court Meeting and/or the EGM will not preclude the Registered Owner from attending and voting in person at the relevant meeting or any adjournment or postponement thereof should he/she/it so wish, and, in such event, the relevant form of proxy shall be revoked by operation of law.

### **3. ACTIONS TO BE TAKEN BY BENEFICIAL OWNERS WHOSE SHARES ARE DEPOSITED IN CCASS**

If you are a Beneficial Owner whose Share(s) are deposited in CCASS and registered under the name of HKSCC Nominees, you must, unless you are an Investor Participant:

- (a) contact your broker, custodian, nominee or other relevant person who is, or has in turn deposited such Shares with, a CCASS Participant, regarding voting instructions to be given to such Other CCASS Participants if you wish to vote at the Court Meeting and/or at the EGM. You should contact your broker, custodian, nominee or other relevant person in advance of the latest time for the lodgement of forms of proxy in respect of the Court Meeting and/or the EGM, in order to provide such person with sufficient time to provide HKSCC Nominees with instructions or make arrangements with HKSCC Nominees in relation to the manner in which the Share(s) beneficially owned by you should be voted at the Court Meeting and/or the EGM; or
- (b) become a registered Shareholder as at the Meeting Record Date and thereby have the right to attend and vote at the Court Meeting and/or the EGM (as appropriate) by withdrawing some or all of your Share(s) from CCASS and becoming a Registered Owner of such Share(s). For withdrawal of Shares from CCASS and registration thereof, you will be required to pay to CCASS a withdrawal fee per board lot withdrawn, a registration fee for each share certificate issued, stamp duty on each transfer instrument and, if your Share(s) are held through a financial intermediary, any other relevant fees charged by your financial intermediary. You should contact your broker, custodian, nominee or other relevant person in advance of the latest time for lodging transfers of the Share(s) into your name so as to qualify to attend and vote at the Court Meeting and/or the EGM, in order to provide such broker, custodian, nominee or other relevant person with sufficient time to withdraw the Share(s) from CCASS and register them in your name on or prior to the Meeting Record Date.

The procedures for voting in respect of the Scheme by the Investor Participants and the Other CCASS Participants with respect to Shares registered under the name of HKSCC Nominees shall be in accordance with the "Operating Guide for Investor Participants", the "General Rules of CCASS" and the "CCASS Operational Procedures" in effect from time to time.

**4. EXERCISE YOUR RIGHT TO VOTE**

If you are a Shareholder or a Beneficial Owner, you are strongly encouraged to exercise your right to vote or give instructions to the relevant Registered Owner to vote in person or by proxy at the Court Meeting and/or the EGM.

If you are a Registered Owner holding Share(s) on behalf of one or more Beneficial Owners, you should inform the relevant Beneficial Owner(s) about the importance of exercising their right to vote.

If you keep any Share(s) in a share lending programme, you are encouraged to recall any outstanding Shares on loan to avoid market participants using borrowed stock to vote.

If you are a Beneficial Owner whose Share(s) are deposited in CCASS, you are strongly encouraged to provide your broker, custodian, nominee or other relevant person without delay with instructions or make arrangements with HKSCC Nominees in relation to the manner in which those Share(s) should be voted at the Court Meeting and/or at the EGM, and/or withdraw some or all of your Share(s) from CCASS and become a Registered Owner of such Shares as at the Meeting Record Date and exercise your right to vote (in person or by proxy) at the Court Meeting and/or the EGM.

**IF APPROVED AND IMPLEMENTED, THE PROPOSAL WILL BE BINDING ON ALL OF THE SCHEME SHAREHOLDERS, IRRESPECTIVE OF WHETHER OR NOT YOU ATTENDED OR VOTED AT THE COURT MEETING OR THE EGM.**

**IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR LICENSED SECURITIES DEALER OR REGISTERED INSTITUTION IN SECURITIES, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.**

**SCHEME SHAREHOLDERS WHO VOTED AT THE COURT MEETING (INCLUDING ANY BENEFICIAL OWNERS WHO GAVE VOTING INSTRUCTIONS TO A CUSTODIAN OR CLEARING HOUSE WHO SUBSEQUENTLY VOTED AT THE COURT MEETING) SHOULD NOTE THAT THEY ARE ENTITLED TO ATTEND OR APPEAR BY COUNSEL, AND BE HEARD ON THE COURT HEARING OF THE PETITION AT THE GRAND COURT OF THE CAYMAN ISLANDS WHICH IS EXPECTED TO BE ON 16 DECEMBER 2024 AT 10:30 A.M. (CAYMAN ISLANDS TIME), AT WHICH THE COMPANY WILL SEEK, AMONG OTHER THINGS, THE SANCTION OF THE SCHEME.**

The expected timetable is indicative only and is subject to change. Further announcement(s) will be made if there is any change to the following expected timetable. Unless otherwise specified, all times and dates refer to Hong Kong local dates and times.

**Hong Kong time  
(unless otherwise specified)**

Despatch of this Scheme Document . . . . . Friday, 25 October 2024

Latest time for lodging transfers of Shares in order to  
become entitled to attend and vote at the  
Court Meeting and the EGM . . . . . 4:30 p.m. on  
Thursday, 5 December 2024

Register of members of the Company closed for  
determining entitlements of the Scheme Shareholders  
to attend and vote at the Court Meeting and entitlements  
of the Shareholders to attend and vote at  
the EGM (*Note 1*) . . . . . Friday, 6 December 2024 to  
Thursday, 12 December 2024  
(both days inclusive)

Latest time for lodging **PINK** forms of proxy  
in respect of the Court Meeting (*Note 2*) . . . . . 10:30 a.m. on  
Tuesday, 10 December 2024

Latest time for lodging **WHITE** forms of proxy  
in respect of the EGM (*Note 2*) . . . . . 11:00 a.m. on  
Tuesday, 10 December 2024

Meeting Record Date . . . . . Thursday, 12 December 2024

Court Meeting (*Note 3*) . . . . . 10:30 a.m. on  
Thursday, 12 December 2024

EGM (*Note 3*) . . . . . 11:00 a.m. on  
Thursday, 12 December 2024  
(or, if later, immediately after  
the conclusion or adjournment  
of the Court Meeting)

Announcement of the results of  
the Court Meeting and the EGM . . . . . no later than 7:00 p.m. on  
Thursday, 12 December 2024

Expected latest time for trading of the Shares on GEM . . . . . 4:10 p.m. on  
Friday, 13 December 2024

Court Hearing .....	10:30 a.m. on Monday, 16 December 2024 (Cayman Islands time)
Announcement of (1) the results of the Court Hearing, (2) the expected Effective Date, and (3) the expected date of withdrawal of the listing of the Shares from GEM .....	no later than 8:30 a.m. on Tuesday, 17 December 2024
Latest time for lodging transfers of Shares in order to qualify for entitlements under the Scheme .....	4:30 p.m. on Wednesday, 18 December 2024
Register of members of the Company closed for determining entitlements of the Scheme Shareholders under the Scheme ( <i>Note 4</i> ) .....	From Thursday, 19 December 2024 onwards
Scheme Record Date .....	Thursday, 2 January 2025
Effective Date ( <i>Note 5</i> ) .....	Thursday, 2 January 2025 (Cayman Islands time)
Announcement of (1) the Effective Date and (2) the withdrawal of the listing of the Shares from GEM .....	no later than 8:30 a.m. on Friday, 3 January 2025
Withdrawal of the listing of the Shares from GEM becomes effective ( <i>Note 6</i> ) .....	4:00 p.m. on Monday, 6 January 2025
Latest time to despatch cheques for cash payment of the Cancellation Price to the Scheme Shareholders and the Additional Price to the Other Scheme Shareholders under the Scheme ( <i>Notes 7 and 8</i> ) .....	on or before Monday, 13 January 2025

*Notes:*

1. The register of members of the Company will be closed during such period for the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the EGM. This book closure period is not for determining the entitlements under the Scheme.
2. The **PINK** form of proxy should be deposited at the Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, but in any event no later than the time and date stated above. Alternatively, it may also be handed to the chairman of the Court Meeting at the commencement of the Court Meeting (who shall have absolute discretion as to whether or not to accept it). The **WHITE** form of proxy must be deposited at the Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, but in any event no later than the time and date stated above, failing which it will not be valid. The completion and return of a form of proxy for the Court Meeting or the EGM will not preclude a Scheme Shareholder or a Shareholder, as the case may be, from attending and voting at the relevant meeting (or any adjournment or postponement thereof) in person. In such event, the relevant form of proxy shall be revoked by operation of law.
3. The Court Meeting and the EGM will be held at Suite 3701-10, Jardine House, 1 Connaught Place, Central, Hong Kong at the times and dates specified above. Please refer to the notice of Court Meeting set out in Appendix V to this Scheme Document and the notice of EGM set out in Appendix VI to this Scheme Document for details.
4. The register of members of the Company will be closed during such period for the purpose of determining the Scheme Shareholders who are qualified for entitlements under the Scheme.
5. The Scheme will become effective upon the fulfilment or waiver (as applicable) of all of the Conditions to the Proposal as set out in the section headed "3. Conditions of the Proposal and the Scheme" in Part VII — "Explanatory Memorandum" of this Scheme Document.
6. If the Proposal becomes unconditional and the Scheme becomes effective, it is expected that the listing of the Shares on GEM will be withdrawn at 4:00 p.m. on Monday, 6 January 2025.
7. Cheques for payment of the Cancellation Price to the Scheme Shareholders and the Additional Price to the Other Scheme Shareholders will be despatched as soon as possible but in any event no later than seven Business Days after the Effective Date by ordinary post in postage pre-paid envelopes addressed to the person(s) entitled thereto at their respective addresses as appearing on the register of members of the Company as at the Scheme Record Date or, in the case of joint holders, at the address appearing on the register of members of the Company as at the Scheme Record Date of the joint holder whose name then stands first in the register of members of the Company in respect of the relevant joint holding.
8. If any severe weather condition is (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force at or after 12:00 noon on Monday, 13 January 2025, the latest date to despatch cheques for cash payment of the Cancellation Price to the Scheme Shareholders and the Additional Price to the Other Scheme Shareholders will remain on the same Business Day; or (b) in force in Hong Kong at any local time at 12:00 noon and/or thereafter on Monday, 13 January 2025, the latest date to despatch cheques for cash payment of the Cancellation Price to the Scheme Shareholders and the Additional Price to the Other Scheme Shareholders will be postponed to the next Business Day (that does not have any severe weather condition at 12:00 noon and/or thereafter) or such other date as the Executive may approve in accordance with the Takeovers Code.

For the purpose of this document, "severe weather" refers to the scenario where a tropical cyclone warning signal number 8 or above is hoisted, or "extreme conditions" as announced by the Hong Kong government and/or a black rainstorm warning is/are in force in Hong Kong. Further announcement(s) will be made if there is any change to the expected timetable as a result of any severe weather.

**EGGRICULTURE FOODS LTD.**

**永續農業發展有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8609)**

*Executive Directors:*

Mr. Ma Chin Chew

*(Chairman and Chief Executive Officer)*

Ms. Lim Siok Eng

Mr. Tang Hong Lai

*Independent non-executive Directors:*

Mr. Sneddon Donald William

Mr. Yuen Ka Lok Ernest

Mr. Lew Chern Yong

*Registered Office:*

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head office and principal place of  
business in Singapore:*

1 Lim Chu Kang Lane 9A

Singapore 718845

*Principal Place of Business in  
Hong Kong:*

Unit 1104, 11/F.

Keybond Commercial Building

38 Ferry Street, Jordan

Kowloon, Hong Kong

25 October 2024

*To the Shareholders*

Dear Sir or Madam,

**(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.  
AND  
(3) SPECIAL DEAL RELATING TO THE OFFEROR  
COOPERATION ARRANGEMENT**

**1. INTRODUCTION**

Reference is made to the Announcement. 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 books of account of the Company as a result of the 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 with effect immediately following the Effective Date.

The purpose of this Scheme Document is to provide you with further information regarding the Proposal and the Scheme, and to give you notices of the Court Meeting and the EGM, together with the forms of proxy in relation thereto. Your attention is also drawn to (i) the letter from the Independent Board Committee set out in Part V of this Scheme Document; (ii) the letter from the Independent Financial Adviser set out in Part VI of this Scheme Document; (iii) the Explanatory Memorandum set out in Part VII of this Scheme Document; and (iv) the terms of the Scheme set out in Appendix IV to this Scheme Document.

**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 Latest Practicable Date), 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 Latest Practicable Date) 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” in Part VII — “Explanatory Memorandum” of this Scheme Document), 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.**

Your attention is drawn to the section headed “2. Terms of the Proposal — The Scheme” in Part VII — Explanatory Memorandum of this Scheme Document.

Settlement of the Cancellation Price to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Scheme Shareholder.



**Highest and lowest prices**

Your attention is drawn to the section headed “2. Terms of the Proposal — Highest and lowest prices” in Part VII — “Explanatory Memorandum” of this Scheme Document.

**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 Conditions set out in the section headed “3. Conditions of the Proposal and the Scheme” in Part VII — “Explanatory Memorandum” of this Scheme Document are fulfilled or waived (as applicable).

When all of the Conditions are fulfilled or waived (as applicable), the Scheme will become effective and binding on the Offeror, the Company and all Scheme Shareholders.

**Warning: 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**

The Offeror has appointed Lego Corporate Finance as its financial adviser in connection with the Proposal.

Your attention is drawn to the section headed “4. Confirmation of Financial Resources” in Part VII — “Explanatory Memorandum” of this Scheme Document.

**5. SHAREHOLDING STRUCTURE OF THE COMPANY**

Your attention is drawn to the section headed “6. Shareholding Structure of the Company” in Part VII — “Explanatory Memorandum” of this Scheme Document.

**6. INFORMATION ON THE GROUP**

Your attention is drawn to the section headed “7. Information on the Group” in Part VII — “Explanatory Memorandum” of this Scheme Document.

**7. INFORMATION ON THE OFFEROR**

Your attention is drawn to the section headed “8. Information on the Offeror” in Part VII — “Explanatory Memorandum” of this Scheme Document.

**8. INTENTION OF THE OFFEROR WITH REGARD TO THE GROUP**

Your attention is drawn to the section headed “9. Intention of the Offeror with regard to the Group” in Part VII — “Explanatory Memorandum” of this Scheme Document.

The Board is pleased to note that as at the Latest Practicable Date, the Offeror intended for the Group to continue to carry on its existing business and the Offeror did not have any plan to 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).

**9. 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 Scheme) and the Offeror Cooperation Arrangement 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 Scheme) and the Offeror Cooperation Arrangement at the EGM.

The Board, with the approval of the Independent Board Committee, has appointed Opus Capital as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal (including the Scheme) and the Offeror Cooperation Arrangement pursuant to Rule 2.1 of the Takeovers Code.

The Independent Financial Adviser has advised the Independent Board Committee that it considers that the Proposal (including the Scheme) and the Offeror Cooperation Arrangement are fair and reasonable so far as the Disinterested Shareholders are concerned, and accordingly, it recommends the Independent Board Committee to advise to the Disinterested Shareholders to vote in favour of (i) the Scheme at the Court Meeting; and (ii) the Offeror Cooperation Arrangement as a special deal and the resolutions in connection with the implementation of the Proposal at the EGM.

The full text of the letter from the Independent Financial Adviser is set out in Part VI of this Scheme Document.

The Independent Board Committee, having been so advised, considers that the Proposal (including the Scheme) and the Offeror Cooperation Arrangement are fair and reasonable so far as the Disinterested Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Disinterested Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the EGM to approve and implement the Proposal (including the Scheme) and the Offeror Cooperation Arrangement.

The full text of the letter from the Independent Board Committee in relation to its recommendations with respect to the Proposal (including the Scheme) and the Offeror Cooperation Arrangement is set out in Part V of this Scheme Document.

#### **10. REASONS FOR AND BENEFITS OF THE PROPOSAL**

Your attention is drawn to the section headed “12. Reasons for and Benefits of the Proposal” in Part VII — “Explanatory Memorandum” of this Scheme Document.

#### **11. ACTIONS TO BE TAKEN**

Your attention is drawn to Part II — Actions to be Taken of this Scheme Document.

#### **12. COURT MEETING AND EGM**

In accordance with the directions of the Grand Court, the Court Meeting will be held at Suite 3701-10, Jardine House, 1 Connaught Place, Central, Hong Kong on Thursday, 12 December 2024 at 10:30 a.m.. The EGM will be held at Suite 3701-10, Jardine House, 1 Connaught Place, Central, Hong Kong on Thursday, 12 December 2024 at 11:00 a.m. (or, if later, immediately after the conclusion or adjournment of the Court Meeting).

For the purpose of exercising your right to vote at the Court Meeting and/or the EGM, you are requested to read carefully the section headed “14. Court Meeting and EGM” in Part VII — “Explanatory Memorandum” of this Scheme Document, Part II — “Actions to be Taken” of this Scheme Document, the notice of Court Meeting in Appendix V to this Scheme Document and the notice of EGM in Appendix VI to this Scheme Document.

Only Scheme Shareholders as at the Meeting Record Date may attend and vote at the Court Meeting to approve the Scheme. The Offeror has provided an undertaking 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 has (a) approved the Scheme in writing and (b) provided 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 associated with the cancellation of 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 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.

**13. WITHDRAWAL OF LISTING OF 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 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 and the day on which the Scheme and the withdrawal of the listing of the Shares on GEM will become effective.

**14. IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES**

If the Scheme is not approved or the Proposal otherwise lapses, an announcement will be made by the Offeror and the Company, and:

- (a) the Proposal (including the Scheme) will not be implemented, the shareholding structure of the Company will not change as a result of the Proposal, and the Company will continue to have sufficient public float as required by the Listing Rules;
- (b) the listing of the Shares on GEM will not be withdrawn; and
- (c) there are restrictions under 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: (i) announce an offer or possible offer for the Company, or (ii) acquire any voting rights of the Company if the Offeror or persons acting in concert with it would thereby become obliged under Rule 26 of the Takeovers Code to make an offer, in each case except with the consent of the Executive.

**15. REGISTRATION AND PAYMENT**

Your attention is drawn to the section headed “17. Registration and Payment” in Part VII — “Explanatory Memorandum” of this Scheme Document.

**16. OVERSEAS SCHEME SHAREHOLDERS**

Your attention is drawn to the section headed “18. Overseas Scheme Shareholders” in Part VII — “Explanatory Memorandum” of this Scheme Document.

**17. TAXATION ADVICE**

Your attention is drawn to the section headed “19. Taxation Advice” in Part VII — “Explanatory Memorandum” of this Scheme Document.

**18. COSTS OF THE SCHEME**

Your attention is drawn to the section headed “20. Costs of the Scheme” in Part VII — “Explanatory Memorandum” of this Scheme Document.

**19. GENERAL**

Each of Mr. Ma Chin Chew and Ms. Lim Siok Eng is regarded as being interested in the Proposal and the Scheme. Accordingly, Mr. Ma Chin Chew and Ms. Lim Siok Eng have not participated in, and will abstain from voting in, any vote of the Board in relation to the Proposal (including the Scheme).

The Directors (including members of the Independent Board Committee whose views are set out in the letter from the Independent Board Committee in Part V of this Scheme Document) believe that the Proposal (including the Scheme) and the Offeror Cooperation Arrangement are fair and reasonable so far as the Disinterested Shareholders are concerned.

**20. RECOMMENDATIONS**

Your attention is drawn to the recommendations of the Independent Board Committee in respect of the Proposal (including the Scheme) and the Offeror Cooperation Arrangement as set out in the letter from the Independent Board Committee to the Disinterested Shareholders in Part V of this Scheme Document.

Your attention is also drawn to the recommendations of the Independent Financial Adviser in respect of the Proposal (including the Scheme) and the Offeror Cooperation Arrangement as set out in Part VI of this Scheme Document. We would advise you to read this letter carefully before you take any action in respect of the Proposal (including the Scheme) or the Offeror Cooperation Arrangement.

**21. FURTHER INFORMATION**

You are urged to read carefully:

- (a) the letter from the Independent Board Committee to the Disinterested Shareholders set out in Part V of this Scheme Document;
- (b) the letter from the Independent Financial Adviser to the Independent Board Committee set out in Part VI of this Scheme Document;
- (c) the Explanatory Memorandum set out in Part VII of this Scheme Document;
- (d) the appendices to this Scheme Document, including the Scheme set out in Appendix IV to this Scheme Document;
- (e) the notice of Court Meeting set out in Appendix V to this Scheme Document;  
and
- (f) the notice of EGM set out in Appendix VI to this Scheme Document.

In addition, a **PINK** form of proxy in respect of the Court Meeting and a **WHITE** form of proxy in respect of the EGM are enclosed with this Scheme Document.

On behalf of the Board  
**Eggriculture Foods Ltd.**  
**Ma Chin Chew**  
*Chairman, Executive Director and  
Chief Executive Officer*

**EGGRICULTURE FOODS LTD.**

**永續農業發展有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8609)**

25 October 2024

*To the Disinterested Shareholders*

Dear Sir or Madam,

**(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.  
AND  
(3) SPECIAL DEAL RELATING TO THE OFFEROR  
COOPERATION ARRANGEMENT**

We refer to the scheme document (the “**Scheme Document**”) dated 25 October 2024 jointly issued by the Company and the Offeror in relation to the Proposal, of which this letter forms part. Unless the context requires otherwise, terms used in this letter shall have the same meaning as given to them in the Scheme Document.

We have been appointed by the Board as the Independent Board Committee to make a recommendation to the Disinterested Shareholders as to: (i) whether the terms of the Proposal (including the Scheme) and the Offeror Cooperation Arrangement 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 Scheme) and the Offeror Cooperation Arrangement at the EGM.

Opus Capital, the Independent Financial Adviser, has been appointed by the Company with our approval, to advise us in respect of the Proposal (including the Scheme) and the Offeror Cooperation Arrangement.

---

## **PART V LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

---

We wish to draw your attention to (a) the letter from the Board as set out in Part IV of the Scheme Document; (b) the letter from the Independent Financial Adviser as set out in Part VI of the Scheme Document which sets out the factors and reasons taken into account by the Independent Financial Adviser in arriving at its recommendations; and (c) the Explanatory Memorandum as set out in Part VII of the Scheme Document.

We, having considered the Proposal (including the Scheme) and the Offeror Cooperation Arrangement, and having taken into account the advice and recommendation of the Independent Financial Adviser to us, and in particular the factors, reasons and recommendations as set out in the Independent Financial Adviser's letter, consider that the Proposal (including the Scheme) and the Offeror Cooperation Arrangement are fair and reasonable so far as the Disinterested Shareholders are concerned.

Accordingly, we recommend the Disinterested Shareholders:

- (1) at the Court Meeting, to vote in favour of the Scheme; and
- (2) at the EGM, to vote in favour of (i) the special resolution to approve and give effect to any reduction of the issued share capital of the Company on the Effective Date associated with the cancellation of the Scheme Shares; (ii) the ordinary resolution to approve and give effect to 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 applying the reserve created in the books of account of the Company as a result of the cancellation of the Scheme Shares to pay up in full at par such new Shares so issued; and (iii) the ordinary resolution to approve and give effect to the Offeror Cooperation Arrangement.

Yours faithfully,

**Independent Board Committee**

**Mr. Sneddon Donald William**

*Independent  
Non-executive  
Director*

**Mr. Yuen Ka Lok Ernest**

*Independent  
Non-executive  
Director*

**Mr. Lew Chern Yong**

*Independent  
Non-executive  
Director*



*Set out below is the letter of advice from Opus Capital, the Independent Financial Adviser to the Independent Board Committee in respect of the Proposal (including the Scheme) and the Offeror Cooperation Arrangement which has been prepared for the purpose of inclusion in this Scheme Document.*



18th Floor, EC Healthcare Tower (Central)  
19-20 Connaught Road Central  
Central, Hong Kong

25 October 2024

To: *The Independent Board Committee of Eggriculture Foods Ltd.*

Dear Sirs,

**(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.; AND  
(3) SPECIAL DEAL RELATING TO  
THE OFFEROR COOPERATION ARRANGEMENT**

**INTRODUCTION**

We refer to our appointment by the Company, with the approval of the Independent Board Committee, to advise the Independent Board Committee in connection with the Proposal (including the Scheme) and the Offeror Cooperation Arrangement. Details of the Proposal, the Scheme and the Offeror Cooperation Arrangement are set out in Part IV — Letter from the Board (the “**Letter from the Board**”) and Part VII — Explanatory Memorandum (the “**Explanatory Memorandum**”) of this composite scheme document dated 25 October 2024 jointly issued by the Company and the Offeror in relation to, among others, the Proposal, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Scheme Document unless the context requires otherwise.

Reference is made to the Announcement. On 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, pursuant to which the parties agreed to use all reasonable endeavours to implement the Proposal and cooperate to obtain all Approvals required in connection with the Proposal. If the Proposal is implemented, this will result in the Company being taken private by the Offeror and the withdrawal of the listing of the Shares from the Hong Kong Stock Exchange, subject to the Conditions being fulfilled or waived, as applicable.

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 has made an application for consent from the Executive in relation to the Offeror Cooperation Arrangement. Accordingly, as one of the Conditions, 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 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 a recommendation to the Disinterested Shareholders as to: (i) whether the terms of the Proposal (including the Scheme) and the Offeror Cooperation Arrangement 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 Scheme) and the Offeror Cooperation Arrangement at the EGM. We have been appointed by the Company, pursuant to Rule 2.1 of the Takeovers Code and with the approval of the Independent Board Committee, to advise the Independent Board Committee with respect to the same.

#### **OUR INDEPENDENCE**

As at the Latest Practicable Date, we did not have any connection, financial or otherwise with the Group, the Offeror, the Offeror Concert Parties or any of their respective controlling shareholders, or any party acting, or presumed to be acting in concert with, or have control over any of them, which would create or likely to create the perception of a conflict of interest or reasonably likely to affect the objectivity of our advice. During the past two years, except the normal independent financial advisory fees paid or payable to us in connection with this appointment regarding the Proposal (including the Scheme) and the Offeror Cooperation Arrangement, no arrangements exist whereby we had received or will receive any fees or benefits from the Group, the Offeror, the Offeror Concert Parties or any of their respective controlling shareholders, or any party acting, or presumed to be acting in concert with, or have control over any of them that could reasonably be regarded as relevant to our independence. We therefore consider ourselves suitable to give independent advice to the Independent Board Committee in respect of the Proposal (including the Scheme) and the Offeror Cooperation Arrangement pursuant to Rule 2.6 of the Takeovers Code.

**BASIS OF OUR OPINION**

In formulating our advice and recommendation to the Independent Board Committee, we have reviewed, amongst other things:

- (i) the Announcement;
- (ii) the Company's annual reports for the two years ended 31 March ("FY") 2023 (the "**2023 Annual Report**") and 2024 (the "**2024 Annual Report**");
- (iii) the property valuation report (including the summary of values and the valuation certificates) dated 25 October 2024 (the "**Valuation Report**") issued by the Independent Property Valuer in relation to its valuation of the properties interests held by the Group as at 31 August 2024, which is set out in Appendix III to the Scheme Document; and
- (iv) other information as set out in the Scheme Document.

We have also discussed with and reviewed the information provided to us by the Company, the Directors and the management of the Group (collectively, the "**Management**") regarding the business and outlook of the Group.

We have relied on the truth, accuracy and completeness of the statements, information, opinions and representations contained or referred to in the Scheme Document and the information and representations made to us by the Management. We have assumed that all information and representations contained or referred to in the Scheme Document and provided to us by the Management, for which they are solely and wholly responsible, are true, accurate and complete in all respects and not misleading or deceptive (i) at the time when they were provided; (ii) at the time they were made; or (iii) as at the Latest Practicable Date. Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us and the contents of this letter after the Latest Practicable Date pursuant to Rule 9.1 of the Takeovers Code. Shareholders will also be informed of our opinion in relation to such material changes, if any, as soon as possible.

We have also assumed that all statements of belief, opinion, expectation and intention made by the Management in the Scheme Document were reasonably made after due enquiries and careful consideration and there are no other facts not contained in the Scheme Document, the omission of which would make any such statement contained in the Scheme Document misleading. We have no reason to suspect that any relevant information has been withheld, or to doubt the truth, accuracy and completeness of the information and facts contained in the Scheme Document, or the reasonableness of the opinions expressed by the Management, which have been provided to us.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. However, we have not carried out any independent verification of the information provided by the Management, and nor have we conducted any independent investigation into the business, financial conditions and affairs of the Group or its future prospects.

The Directors have jointly and severally accepted full responsibility for the accuracy of the information contained in the Scheme Document (including the relevant information concerning the Group provided by the Management and as set out in our letter, other than that relating to the Offeror and the Founder Holdco) and confirmed, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Scheme Document (other than the 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 the Scheme Document, the omission of which would make any statement in the Scheme Document misleading.

The directors of the Offeror and Betagro have jointly and severally accepted full responsibility for the accuracy of the information contained in the Scheme Document (other than that relating to the Group and the Founder Holdco) and confirmed, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Scheme Document (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 the Scheme Document, the omission of which would make any statement in the Scheme Document misleading.

The sole director of the Founder Holdco, Mr. Ma, has accepted full responsibility for the accuracy of the information contained in the Scheme Document (other than that relating to the Group and the Offeror) and confirmed, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in the Scheme Document (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 the Scheme Document, the omission of which would make any statement in the Scheme Document misleading.

This letter is issued to the Independent Board Committee solely in connection with and for their consideration of the Proposal (including the Scheme) and the Offeror Cooperation Arrangement and except for its inclusion in the Scheme Document, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose without our prior written consent.

We have not considered the taxation and regulatory implications on the Disinterested Shareholders of accepting or rejecting the Proposal since these depend on their individual circumstances, therefore we will not accept responsibility for any tax and regulatory effect or liability that may potentially be incurred by the Disinterested Shareholders as a result of the Proposal. In particular, the Disinterested Shareholders who are residents overseas or subject to Hong Kong taxation or overseas taxes on dealings in securities should consider their own tax position and, if in any doubt, to consult their own professional advisers. Their attention is particularly drawn to the section headed "Taxation Advice" in the Explanatory Memorandum.

**PRINCIPAL TERMS OF THE PROPOSAL, THE SCHEME AND THE OFFEROR COOPERATION ARRANGEMENT**

The terms set out below are summarised from the Explanatory Memorandum. Disinterested Shareholders are encouraged to read the Scheme Document and the appendices in full.

**1. 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 Latest Practicable Date), 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 Latest Practicable Date) 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 the 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” in Part VII — the Explanatory Memorandum of the Scheme Document), 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.**

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 Latest Practicable Date, 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.

**2. Total consideration**

As at the Latest Practicable Date, there were 500,000,000 Shares in issue, among which 294,800,000 Shares were held by the Founder Holdco (representing 58.96% of the issued Shares) and the Disinterested Shareholders were interested in 205,200,000 Shares (representing 41.04% of the issued Shares).

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.

Taking into account that 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. Accordingly, assuming that no new Shares are issued on or before the Scheme Record Date, the total amount of cash required to implement the Proposal in full will be HK\$430,451,400.

**3. Conditions of the Proposal and the Scheme**

The Proposal and the Scheme will become effective and binding on the Company and all of the Scheme Shareholders, subject to the fulfilment or waiver (as applicable) of the Conditions set out in the section headed "3. Conditions of the Proposal and the Scheme" in the Explanatory Memorandum, on or before the Long Stop Date (i.e. 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.

Some of the key Conditions include:

- (i) 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;
- (ii) (a) 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 (b) 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;

- (iii) (a) 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;
- (b) the passing of an ordinary resolution by the Disinterested Shareholders at the EGM to approve the Offeror Cooperation Arrangement; and
- (c) the grant of consent under Rule 25 of the Takeovers Code from the Executive to the Offeror Cooperation Arrangement.

For further details of the Conditions, please refer to the section headed “Conditions of the Proposal and the Scheme” in the Explanatory Memorandum. As at the Latest Practicable Date, none of the Conditions had been fulfilled or waived (as applicable).

#### **4. Arrangements Material to the Proposal**

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. Further details of the Offeror Cooperation Arrangement are set out in the section headed “Arrangements Material to the Proposal” in the Explanatory Memorandum.

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 has made 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 one of the Conditions, 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.

## **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In formulating our opinion and recommendation with regards to the Proposal, the Scheme and the Offeror Cooperation Arrangement, we have taken into account the following principal factors and reasons:

### **1. Business information, financial performance and prospects of the Group**

#### *A. Business of the Group*

The Company is an exempted company with limited liability incorporated in the Cayman Islands, the Shares of which have been listed on GEM since 7 September 2018. The Group is principally engaged in the production and sale of egg products, primarily in Singapore. The Company stands out as one of the only three layer farms licensed by the Singapore Food Agency (“SFA”) to produce fresh chicken eggs in Singapore. Spanning 116,037.4 square metres of agricultural land in Singapore, this site houses twelve layer houses and sheds, three pullet houses and various related egg production and storage facilities, boasting a substantial operation with approximately one million hens, yielding a daily production average of 800,000 to 900,000 fresh chicken eggs. It also operates the only quail egg farm in Singapore.

The Group’s product offerings are diverse and its egg products include: (i) fresh chicken eggs; (ii) fresh quail eggs; and (iii) processed egg products. Fresh chicken eggs are marketed under the brand name “安安N&N” while pasteurised shell eggs are sold under the brand “Egg Story - Pasteurised to kill Salmonella and Bird Flu Virus” with a “P” letter stamped or imprinted on each pasteurised shell egg, emphasizing safety by highlighting the pasteurisation process designed to eliminate pathogens such as salmonella and the bird flu virus. Processed egg products offered by the Group mainly comprise (a) pasteurised shell eggs; (b) pasteurised liquid eggs; (c) pasteurised soft yolk eggs; (d) pasteurised hard boiled and peeled eggs; and (e) century eggs and salted eggs. All processed egg products are made from the eggs produced from the Company’s farms, except for century eggs and salted eggs which are imported into Singapore.

The Group has notably achieved an “A” grade (Excellent) license from the SFA for its food establishment operations related to egg processing and shell egg pasteurisation. This accreditation underscores the Group’s commitment to providing safe and reliable egg products to its customers. In addition, the Group has secured ISO 22000:2005 certifications for various aspects of its operations, including poultry layer farming and the processing of a range of egg products, enhancing the Company’s credibility and reinforcing its dedication to quality and safety standards. As stated in the 2024 Annual Report, the Group will be expanding its existing egg sorting, packing and processing facilities to cope with the increased egg production, following the completion of the expanded chicken egg laying capacity in 2024.



**B. Financial information of the Group**

Set forth below is (i) a summary of the audited consolidated financial information of the Group for FY2022, FY2023 and FY2024; and (ii) net effect of biological assets and agricultural produce fair value adjustments on the profit and loss account, as extracted from the 2024 Annual Report and the 2023 Annual Report. Further details of the financial information of the Group are set out in Appendix I to the Scheme Document.

**Table 1: Summary of the consolidated financial performance of the Group**

	FY2022 <i>(Audited)</i> S\$'000	FY2023 <i>(Audited)</i> S\$'000	FY2024 <i>(Audited)</i> S\$'000
<b>Revenue</b>	<b>67,058</b>	<b>95,766</b>	<b>108,417</b>
Cost of sales (“COS”)			
(i) COS before fair value adjustments to agricultural produce	(53,996)	(75,511)	(79,678)
(ii) Fair value adjustments to COS for agricultural produce (“BA COS”)	(10,898)	(16,844)	(26,458)
Total COS	(64,894)	(92,355)	(106,136)
<b>Gross Profit</b>	<b>2,164</b>	<b>3,411</b>	<b>2,281</b>
<b>Gross Profit (before BA COS)</b>	<b>13,062</b>	<b>20,255</b>	<b>28,739</b>
<i>Gross Profit margin (before BA COS) (%)</i>	19.5%	21.2%	26.5%
Other income	1,609	1,047	506
Other gain/(losses) (net)	5	(158)	(192)
Selling and distribution expenses	(6,264)	(6,980)	(6,913)
Administrative expenses	(5,066)	(6,813)	(7,122)
Finance costs	(475)	(607)	(1,238)
Write-off of biological assets	(864)	–	–
Gain arising from initial recognition of agricultural produce at fair value less estimated costs to sell at point of harvest	10,931	16,880	27,053
Gain arising from changes in fair value of biological assets less estimated costs to sell	1,746	3,593	8,842
<b>Profit before taxation</b>	<b>3,786</b>	<b>10,373</b>	<b>23,217</b>
Income tax expense	(253)	(1,698)	(3,993)
<b>Profit after taxation</b>	<b>3,533</b>	<b>8,675</b>	<b>19,224</b>

Sources: 2024 Annual Report and 2023 Annual Report

**Table 2: Net effect of biological assets and agricultural produce fair value adjustments on the profit and loss account**

	FY2022 <i>(Audited)</i> S\$'000	FY2023 <i>(Audited)</i> S\$'000	FY2024 <i>(Audited)</i> S\$'000
Fair value adjustments to cost of sales for agricultural produce	(10,898)	(16,844)	(26,458)
Gain arising from initial recognition of agricultural produce at fair value less estimated costs to sell at point of harvest	<u>10,931</u>	<u>16,880</u>	<u>27,053</u>
Net effect of fair value adjustments to agricultural produce	33	36	595
Write-off of biological assets	(864)	–	–
Gain arising from changes in fair value of biological assets less estimated costs to sell	1,746	3,593	8,842
<b>Net effect on profit and loss account</b>	<b>915</b>	<b>3,629</b>	<b>9,437</b>

Sources: 2024 Annual Report and 2023 Annual Report

The biological assets of the Group comprise laying hens, breeders quail, broilers quail and laying quail. Their fair values at each financial year end are assessed by an independent valuer and the difference between the fair values at the two (2) financial years are recognised as “gain or loss arising from changes in fair value of biological assets less estimated costs to sell”.

Agricultural produce refers to fresh eggs harvested from the Group’s biological assets (eggs laying flocks). The fair values less estimated costs to sell of these agricultural produce are initially recognised upon harvest. The fair values of the agricultural produce are expensed when the agricultural produce are sold, which usually occur within a short time period after harvest.

#### **FY2022 vs FY2023**

In FY2023, the Group’s revenue increased significantly to approximately S\$95.8 million, representing a rise of approximately 42.8%, compared to FY2022 which recorded revenue of approximately S\$67.1 million. The higher sales in FY2023 was mainly attributable to more eggs sold to a larger customer base and higher egg prices as the Group consolidated its leading market position in Singapore. Egg prices have stabilised as the Singapore economy emerged from the coronavirus pandemic (“Covid”). Business activities and foreigners visiting Singapore have

recovered, leading to an almost full resumption of business operations for most of the Group's customers, resulting in the Group selling more eggs. The Group's diversified customer base comprise supermarkets and minimarts, food and beverage outlets and restaurants, wholesalers, retailers and online sales platforms. The Group's enlarged customer base arising from the acquisition of eggs distributors which dealt largely with fresh eggs also helped to drive sales increase.

Total cost of sales rose in tandem with the revenue increase by approximately 42.4%, from S\$64.9 million to S\$92.4 million. Such increment was primarily due to the increase in the costs of sourced eggs. The Group had to increase the purchases of sourced eggs to fulfil the sales to its customers.

Gross profit margin, before considering agricultural produce fair value adjustments, improved from approximately 19.5% to 21.2% largely due to improvements in selling prices of eggs. Gross profit recorded an enhancement of approximately 54.5%, from approximately S\$2.2 million to S\$3.4 million in FY2023.

A major portion of other income consisted of government grants from various incentive schemes awarded to the Group totalling approximately S\$0.7 million, almost doubling the amount of S\$0.4 million received in FY2022. The absence of an insurance claim relating to Newcastle Disease that only affects poultry of approximately S\$0.9 million in FY2022 resulted in a moderate drop of approximately 34.9% to approximately S\$1.0 million for FY2023.

Profit before taxation surged significantly by nearly two-fold to approximately S\$10.4 million for FY2023 as compared to S\$3.8 million for FY2022. This increase was mainly attributable to: (i) strong revenue growth; (ii) an approximate 54.4% increase in gain arising from initial recognition of agricultural produce at fair value less estimated costs to sell at point of harvest; and (iii) an improvement of approximately 105.8% in gain arising from changes in fair value of biological assets less estimated costs to sell, mitigated by the rise in selling and distribution expense, administrative expense and finance costs in FY2023.

The gain arising from changes in fair value of biological assets was notably higher in FY2023 as there were two new layer houses in operation in FY2023, resulting in a higher flock size compared to FY2022. The higher gain recorded from initial recognition of agricultural produce in FY2023 was due to price increase of agricultural produce at the point of harvest.

#### ***FY2023 vs FY2024***

The Group's revenue continued to grow in FY2024, reaching approximately S\$108.4 million with an approximate 13.2% increase, from S\$95.8 million for FY2023. The revenue increase was primarily driven by (i) an enlargement in the customer base arising from the acquisitions of eggs distributors which dealt largely with fresh eggs; and (ii) an increase in sales of pasteurised liquid eggs and pasteurised hard-boiled and peeled eggs. The completion of quail farm has also strengthened the Group's revenue stream in the quail space.

Cost of sales also escalated to approximately S\$106.1 million, representing a hike of approximately 14.9% from approximately S\$92.4 million for FY2023. This rise in costs was contributed by the increase in the costs of sourced and produced eggs to meet the increased sales of the Group. Despite the decline in gross profit of approximately 33.1% experienced by the Group due to volatility of egg prices during FY2024, the Group nonetheless recorded an improvement in gross profit margin, before considering agricultural produce fair value adjustments, from 21.2% to 26.5%. The achievement was made possible by the increase in the Group's own egg production following the expanded chicken egg farm that was operational in FY2024. This has enabled the Group to reduce its reliance on sourced (purchased) eggs, thereby enhancing its control over the costs and quality of eggs, where the reliability of supplies led to improvement in gross profit margins.

A further drop in other income by almost half to S\$0.5 million compared to FY2023 was noted as the government grants were reduced significantly from S\$0.7 million to S\$0.2 million in FY2024, representing a drastic decline of approximately 71.4%. The Management explained that it was due to fewer grants offered by the government after the Covid pandemic.

Profit before taxation continued to see a remarkable upsurge, rising to approximately S\$23.2 million in FY2024 with an increase of approximately 123.1% from S\$10.4 million attained in FY2023. The growth can be attributed to: (i) stable revenue growth; (ii) approximately 60.3% increase in gain arising from initial recognition of agricultural produce at fair value less estimated costs to sell at point of harvest; and (iii) approximately rise of 146.1% in gain arising from changes in fair value of biological assets less estimated costs to sell, in FY2024, offset by finance cost which doubled due to higher borrowings to finance its increase in capital expenditure and a slight rise in selling and distribution expense, and administrative expense.

The Group continued to book strong gain arising from changes in fair value of biological assets in FY2024 by approximately 146.1% to S\$8.8 million. Apart from the higher flock size due to the operations of two new layer houses, the quail farm also started its operation in FY2024. Price increase of agricultural produce at the point of harvest also continued to dominate the higher gain recorded from initial recognition of agricultural produce, registering a rise of approximately 59.8% to S\$27.0 million from S\$16.9 million in FY2023.

Table 3: Consolidated financial position of the Group

	As at 31 March	
	2023	2024
	(Audited)	(Audited)
	S\$'000	S\$'000
<b>Non-current assets</b>		
Biological assets	7,829	12,257
Property, plant and equipment	46,318	50,096
Intangible assets	1,794	2,161
Investments in insurance contracts	2,277	2,396
Other receivables	418	–
<b>Total non-current assets</b>	<b>58,636</b>	<b>66,910</b>
<b>Current assets</b>		
Biological assets	3,755	8,233
Inventories	3,781	3,765
Trade and other receivables	16,526	17,470
Cash and cash equivalents	8,739	12,121
<b>Total current assets</b>	<b>32,801</b>	<b>41,589</b>
<b>Non-current liabilities</b>		
Lease liabilities	656	399
Bank borrowings	11,908	16,096
Deferred income tax liabilities	1,447	1,815
<b>Total non-current liabilities</b>	<b>14,011</b>	<b>18,310</b>
<b>Current liabilities</b>		
Trade and other payables	14,413	11,369
Deferred grant income	909	–
Current income tax liabilities	1,460	4,365
Lease liabilities	523	343
Bank borrowings	13,463	8,230
<b>Total current liabilities</b>	<b>30,768</b>	<b>24,307</b>
<b>Net asset value</b>	<b>46,658</b>	<b>65,882</b>
<b>Capital and reserves</b>		
Share capital	890	890
Share premium	8,544	8,544
Other reserve	9,767	9,767
Retained earnings	27,215	46,530
<b>Equity attributable to owners of the Company</b>	<b>46,416</b>	<b>65,731</b>
Non-controlling interests	242	151
<b>Total equity</b>	<b>46,658</b>	<b>65,882</b>

Source: 2024 Annual Report

As set out in the table above, total assets surged from approximately S\$91.4 million as at 31 March 2023 to approximately S\$108.5 million as at 31 March 2024, reflecting an increase of approximately 18.7%. This upward trend was primarily driven by substantial growth of approximately 76.7% in current and non-current biological assets, which rose from approximately S\$11.6 million to approximately S\$20.5 million. This was attributable to the higher flock size due to operations of two new layer houses and the newly completed and operational quail farm during FY2024. There was also a notable 39.1% increase in cash and cash equivalents, which climbed to approximately S\$12.1 million from S\$8.7 million.

Total liabilities showed a slight reduction of approximately 4.9% from S\$44.8 million to S\$42.6 million as at 31 March 2024. The decline was largely due to (i) a decrease in trade and other payables of approximately 21.1% to S\$11.4 million as at 31 March 2024 due to fewer capex creditors as most of the capex expenditure had been settled during the financial year; and (ii) the repayment of bank borrowings that resulted in a 4.3% drop from approximately S\$25.4 million to approximately S\$24.3 million.

In view of the factors mentioned above, the net asset value (“NAV”) as at 31 March 2024 rose significantly from approximately S\$46.7 million to approximately S\$65.9 million, marking an increase of approximately 41.1%.

**C. *Dividend History***

We noted that no dividends were declared by the Company for the past five (5) financial years from FY2020 to FY2024. Given the Company did not pay any dividends for the past five (5) consecutive years, Disinterested Shareholders who favour dividend-paying listed issuers that can offer dividend yield and/or dividend growth may consider switching their investments to other listed issuers that offer dividend yields. Accordingly, the dividend payment history of the Company can be considered as a factor to support the Proposal.

*D. Property Valuation*

The valuation of the Group's property interests (the "Properties") as at 31 August 2024 (the "Valuation Date") have been conducted by the Independent Property Valuer. The Valuation Report is enclosed in Appendix III to the Scheme Document. According to the Valuation Report, the total market value in existing states of the Properties attributable to the Group was S\$35.7 million (equivalent to approximately HK\$213.2 million) as at the Valuation Date (the "Valuation"). The Valuation is made up of (i) a farm and production development in Singapore for hen layer egg farming purpose with the market value of S\$27.3 million (equivalent to approximately HK\$163.0 million); and (ii) a farm and production development in Singapore for quail egg farming purpose with the market value of S\$8.4 million (equivalent to approximately HK\$50.2 million).

In compliance with the requirements under Note (1)(d) to Rule 17.92 of the GEM Listing Rules, we have also assessed the qualifications and experience of the responsible person of the Independent Property Valuer for its engagement as the independent valuer for the Valuation. We note that Mr. Alex Ma, the responsible person in charge of the Valuation, is, among others, a member of Hong Kong Institute of Surveyors, a member and registered valuer of the Royal Institution of Chartered Surveyors, and a registered professional surveyor (general practice) under the Surveyors Registration Ordinance (Cap. 417) who has over 10 years of property valuation experience in the People's Republic of China, Hong Kong and various overseas countries in the regions of Asia-Pacific, Europe and America. We have confirmed with the Independent Property Valuer that it has no other relationship with the Company which may cause concerns with respect to its independence, so we are satisfied that the Independent Property Valuer is independent from the Company.

We have also reviewed the Independent Property Valuer's terms of engagement and noted that the scope of work is appropriate for arriving at the opinion in the Valuation. Nothing has come to our attention that the Company has made any formal or informal representation to the Independent Property Valuer that contravenes our understanding of the Valuation. As noted in the Valuation Report, the Valuation has been prepared in accordance with the HKIS Valuation Standards 2020 published by the Hong Kong Institute of Surveyors, the RICS Valuation — Global Standards published by the Royal Institution of Chartered Surveyors and the International Valuation Standards published by the International Valuation Standards Council and are in compliance with the GEM Listing Rules and the Takeovers Code.

We have reviewed the Valuation Report, interviewed the Independent Property Valuer and discussed with them the rationale of adopting the valuation methodology, bases and assumptions in valuing the Properties. We have also reviewed the working papers relating to the Valuation Report. We noted that the Independent Property Valuer has adopted the depreciated replacement cost ("DRC") method, being one of the cost approaches in valuing the Properties.

After our discussion with the Independent Property Valuer and our review of the Valuation Report, we understand that, in valuing the Properties held by the Group for owner-occupation purpose in Singapore (i.e. two farms and production development situated at Singapore), the Independent Property Valuer has assumed that (i) the owner sells the Properties in the open market as at the Valuation Date in its existing state without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the market values of the Properties; and (ii) for the leasehold property, the owner has free and uninterrupted rights to occupy and use such leasehold property during the whole of the remaining land lease term.

In valuing the Properties, with the consideration of: (i) the buildings and structures of the Properties are specifically designed and built for the purpose of egg farming and production-related use by the Group only; and (ii) the Properties are not rental income generating, therefore sufficient market data is absent to determine the market values of the Properties by means of market or income-based evidence. Accordingly, the Independent Property Valuer has adopted the DRC method, one of the cost approaches, to assess the market values of the Properties, making reference to an estimate of the market value of the land in its existing use, which is assessed by making reference to relevant market transaction evidence, plus the current cost of replacement of the improvements less allowance for physical deterioration and all relevant forms of obsolescence and optimization.

In view of the above, the valuation methodology adopted by the Independent Property Valuer is, in our opinion, an appropriate approach in establishing the market value of the Properties given the purpose-built nature of the Properties.

***E.      Unaudited Adjusted NAV***

In evaluating the Proposal, we have taken into account the Group's unaudited adjusted NAV (the "**Unaudited Adjusted NAV**"), which is provided by the Company and calculated based on the audited NAV attributable to owners of the Company as at 31 March 2024, adjusted with reference to the Valuation as at the Valuation Date (i.e. 31 August 2024). Details of the adjustments are set out in the table below.



**Table 4: Calculation of the Unaudited Adjusted NAV**

	<i>S\$ million</i>
Audited NAV of the Group attributable to owners of the Company as at 31 March 2024	65.731
<i>Adjusted for:</i>	
<i>Add: Revaluation surplus arising from the Valuation as at 31 August 2024<sup>Note 1</sup></i>	4.804
	<hr/>
<b>Unaudited Adjusted NAV</b>	70.535
<b>Unaudited Adjusted NAV per Share:</b>	
<b>in S\$<sup>Note 2</sup></b>	S\$0.141
<b>in HK\$<sup>Note 3</sup></b>	HK\$0.845
	<hr/> <hr/>
<b>Cancellation Price</b>	HK\$1.103
<b>Premium of the Cancellation Price to the Unaudited Adjusted NAV per Share</b>	30.5%

*Notes:*

- This represents the revaluation surplus calculated by comparing the market value of the Properties held by the Group as set out in Appendix III to the Scheme Document (i.e. S\$35.7 million), with their corresponding book values as at 31 March 2024 of approximately S\$30.9 million, representing the net book value of leasehold buildings and improvements and the leasehold land as at 31 March 2024 as disclosed in the 2024 Annual Report.*
- It is calculated based on 500,000,000 Shares in issue as at the Latest Practicable Date.*
- An exchange rate of S\$1.00 to HK\$5.99 was used for illustration only.*

As the Cancellation Price represents a premium to the Unaudited Adjusted NAV per Share, we are of the view that the Cancellation Price is favourable as far as the Disinterested Shareholders are concerned. For further analysis of the Cancellation Price, please refer to the section headed "2. Analysis on the terms of the Proposal and the Scheme" below.

*F. Prospects of the Group*

The growth of the egg industry in Singapore is marked by a steady increase in per capita consumption and a consistent rise in local production. Pursuant to the publication published by the SFA on 23 February 2023, the average person in Singapore consumed about 390 eggs in 2021. In addition, Singapore government “30 by 30” vision which aims to improve food security, including a target to produce 30% of the country’s nutritional needs locally by 2030 have further spurred growth in the sector. In response to this demand, according to the “2023 Singapore Food Statistics Report” published by the SFA, local egg production in 2023 has also seen an increase by approximately 12% from 2022, as a few farms in Singapore, including the Company, had improved their capacity and capability to produce more eggs following their respective upgrading plans.

As referred to the 2024 Annual Report, the Group’s future prospects are anchored in a multifaceted strategy aimed at enhancing its market position, operational efficiency and product offerings. With the completion of the expansion of its egg-laying facilities at the existing farm site, the Group is positioned to significantly increase its production capacity. This expansion will not only allow the Group to meet the demand for fresh eggs in Singapore but also improve its overall operational efficiency. By reorganising and upgrading sorting, packaging, processing and storage facilities, the Group is setting the foundation for a streamlined supply chain that can respond more swiftly to market fluctuations. To this end, the Group is expected to invest more in order to achieve the required savings to sustain its profitability.

As advised by the Management, the Group’s past growth has been propelled by a number of acquisitions of existing egg distributors and/or their on-going business. Organic growth is likely to be in line with population growth in Singapore, which are expected to be gradual. With further consolidation of the egg supply market, future acquisitions of egg suppliers are likely to be priced higher than the past acquisitions by the Group as the availability of suitable acquisition targets would have reduced. In addition, according to a publication of The Straits Times, a newspaper in Singapore, on 3 August 2024, the Singapore government has previously announced the establishment of a fourth chicken egg farm in Singapore and slated to begin operations in 2024. This start of the fourth farm is expected to increase local eggs supply dramatically and infuse further competition in the Singapore market. Despite these challenges, as the Group’s products are staple daily necessities to a wide spectrum of customers and users, its business is expected to be sustainable.

In addition to enhancing production capabilities, the Group is committed to diversifying its product range to cater to the evolving preferences and tastes of its customers. The Group is dedicated to continuous improvements and innovation in its business model. Furthermore, by regularly assessing market trends, consumer preferences and operational efficiencies, the Group can adapt to changing circumstances and seize new opportunities. This approach will enable the Group to remain competitive in an evolving industry while maintaining a focus on quality, safety and customer satisfaction.

Based on the above, we are of the view that with the convergence of all these factors and developments, the Group's outlook is expected to be sustainable, although it will face several challenges in the competitive landscape.

## **2. Analysis on the terms of the Proposal and the Scheme**

As set out in the Explanatory Memorandum, 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.

### **A. Cancellation Price comparisons**

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

- (a) a discount of approximately 1.5% to the closing price of HK\$1.120 per Share as quoted on the Hong Kong Stock Exchange on the Latest Practicable Date;
- (b) 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;
- (c) 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;
- (d) 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;

- (e) 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;
- (f) 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;
- (g) 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;
- (h) 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;
- (i) 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 Latest Practicable Date; and
- (j) a premium of approximately 30.5% over the Unaudited Adjusted NAV per Share of approximately HK\$0.845 as at 31 March 2024.

The Cancellation Price plus Additional Price of HK\$1.185 (the “**Total Price**”) per Other Scheme Share represents:

- (a) a premium of approximately 5.8% over the closing price of HK\$1.120 per Share as quoted on the Hong Kong Stock Exchange on the Latest Practicable Date;
- (b) 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;
- (c) 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;

- (d) 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;
- (e) 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;
- (f) 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;
- (g) 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;
- (h) 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;
- (i) 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 Latest Practicable Date; and
- (j) a premium of approximately 40.2% over the Unaudited Adjusted NAV per Share of approximately HK\$0.845 as at 31 March 2024.

**B. Historical price performance of the Shares**

Set out below is the chart showing the daily closing Share prices as quoted on the Hong Kong Stock Exchange during the period commencing from 15 August 2022 up to and including the Latest Practicable Date (the “**Review Period**”), being an approximate two-year period. In determining the length of the Review Period, we have considered: (i) if the length is too long, such as more than two years prior to the Last Trading Date, it may not provide a good reference as it may not reflect the latest market conditions; and (ii) if the length is too short, such as one year prior to the Last Trading Date, it may not able to provide a holistic view of the general performance of the Share prices. Based on the above, we consider the Review Period we adopted is fair and reasonable.

**Chart 1: Closing Share prices during the Review Period**



Source: the Hong Kong Stock Exchange

As illustrated in the chart above, during the period commencing from 15 August 2022 up to and including the Last Trading Date (the “**Pre-Announcement Period**”), the closing prices of the Shares fluctuated in a range between the lowest of HK\$0.19 per Share on 21 and 22 September 2023 to the highest of HK\$0.54 per Share on 7 August 2024, with an average daily closing price of the Shares of approximately HK\$0.28. It should be noted the Cancellation Price of HK\$1.103 is significantly higher than the closing Share prices throughout the Pre-Announcement Period and it represents premiums of approximately 480.5%, 104.3% and 293.9% over the lowest, highest and the average closing Share prices respectively during the Pre-Announcement Period.

At the request of the Company, trading in the Shares was suspended with effect from 9:00 a.m. on 16 August 2024 to 9:00 a.m. on 30 August 2024. The closing price of the Shares surged by approximately 110.2% to HK\$1.03 per Share on 30 August 2024 (being the first trading day after the publication of the Announcement) as compared to HK\$0.49 per Share on the Last Trading Date. The closing price of the Shares during the period subsequent to the Last Trading Date up to and including the Latest Practicable Date (the “**Post-Announcement Period**”) reached the highest point to HK\$1.120 per Share on 22 October 2024. As at the Latest Practicable Date, the closing price of the Shares was HK\$1.120, which is at a 1.5% discount to the Cancellation Price.

During the Post-Announcement Period, the closing Share prices had been trading below the Cancellation Price between HK\$1.03 per Share and HK\$1.09 per Share, except for only two (2) days on 21 October 2024 and 22 October 2024 (being the Latest Practicable Date) in which the closing Share price was above the Cancellation Price at HK\$1.110 and HK\$1.120 respectively. This price range is significantly above the average closing Share price during the Pre-Announcement Period of HK\$0.28 per Share. However, Disinterested Shareholders should note that there is no assurance that the Share price will remain at the current level if the Proposal and the Scheme lapse.

C. Trading liquidity of the Shares

The following table sets out the trading volume of the Shares during the Review Period:

Table 5: Trading volume of the Company

	Total trading volume (No. of Shares)	No. of trading days	Average daily trading volume (No. of Shares)	Average daily trading volume to the total number of Shares in issue (Approximate) <sup>Note 1</sup>	Average daily trading volume to the number of Shares held by public Shareholders (Approximate) <sup>Note 2</sup>
<b>2022</b>					
August (from 15 to 31)					
August)	360,000	3	120,000	0.0240%	0.0960%
September	1,140,000	8	142,500	0.0285%	0.1140%
October	300,000	9	33,333	0.0067%	0.0267%
November	280,000	7	40,000	0.0080%	0.0320%
December	510,000	7	72,857	0.0146%	0.0583%
<b>2023</b>					
January	1,160,000	11	105,455	0.0211%	0.0844%
February	1,190,000	11	108,182	0.0216%	0.0865%
March	2,140,000	12	178,333	0.0357%	0.1427%
April	670,000	10	67,000	0.0134%	0.0536%
May	2,000,000	10	200,000	0.0400%	0.1600%
June	930,000	11	84,545	0.0169%	0.0676%
July	320,000	7	45,714	0.0091%	0.0366%
August	530,000	10	53,000	0.0106%	0.0424%
September	450,000	10	45,000	0.0090%	0.0360%
October	340,000	6	56,667	0.0113%	0.0453%
November	270,000	2	135,000	0.0270%	0.1080%
December	2,460,000	10	246,000	0.0492%	0.1968%



	Total trading volume (No. of Shares)	No. of trading days	Average daily trading volume (No. of Shares)	Average daily trading volume to the total number of Shares in issue (Approximate) <sup>Note 1</sup>	Average daily trading volume to the number of Shares held by public Shareholders (Approximate) <sup>Note 2</sup>
<b>2024</b>					
January	120,000	2	60,000	0.0120%	0.0480%
February	900,000	9	100,000	0.0200%	0.0800%
March	70,000	2	35,000	0.0070%	0.0280%
April	2,520,000	10	252,000	0.0504%	0.2016%
May	1,170,000	9	130,000	0.0260%	0.1040%
June	2,540,000	11	230,909	0.0462%	0.1847%
July	6,960,000	18	386,667	0.0773%	0.3093%
August	7,790,000	7	1,112,857	0.2226%	0.8903%
September	17,760,000	17	1,044,706	0.2089%	0.8358%
October (up to and including the Latest Practicable Date)	5,080,000	13	390,769	0.0782%	0.3126%

Source: the Hong Kong Stock Exchange

Notes:

1. The calculation is based on the average daily trading volume of the Shares divided by the total number of Shares in issue in the relevant period.
2. The calculation is based on the average daily trading volume of the Shares divided by the number of Shares held by public Shareholders (i.e. Shareholders other than the substantial shareholders of the Company).

As illustrated in the table above, the average daily trading volume for the respective month/period during the Review Period ranged from 33,333 Shares to 1,112,857 Shares, representing: (i) approximately 0.0067% to approximately 0.2226% of the total number of issued Shares; and (ii) approximately 0.0267% to approximately 0.8903% of the number of Shares held by public Shareholders. The average daily trading volume during the Review Period was 247,769 Shares.

The average daily trading volume during the Pre-Announcement Period was 141,280 Shares, representing approximately 0.1130% of the number of Shares held by public Shareholders. The highest daily trading volume during the Pre-Announcement Period was recorded on 18 July 2024, when the trading volume reached 1.35 million Shares, representing approximately 1.0800% of the number of Shares held by public Shareholders. We enquired with the Management on the high daily trading volume on 18 July 2024 but the Management is not aware of any particular reason for the surge in daily trading volume on the specific day.

On the first trading day after the release of the Announcement on 30 August 2024, the daily trading volume of the Shares increased to 7,310,000 Shares from 250,000 Shares as recorded on the Last Trading Date, representing approximately 5.8% of the number of Shares held by public Shareholders. This increase in the trading volume of the Shares would have been the initial market reaction to the Announcement. Although the trading volume of the Shares was active on 30 August 2024, it decreased significantly to 3,770,000 Shares on the next trading day (i.e. 2 September 2024), representing approximately 3.0% of the number of Shares held by public Shareholders. The average daily trading volume during the period subsequent to the Last Trading Date up to and including the Latest Practicable Date was approximately 972,581 Shares, representing: (i) approximately 0.1945% of the total number of issued Shares; and (ii) approximately 0.7781% of the number of Shares held by public Shareholders.

Given the generally thin trading liquidity of the Shares during the Review Period, in particular, the two-year period prior to and including the Last Trading Date, it is uncertain whether there would be sufficient liquidity in the trading of the Shares for the Disinterested Shareholders to dispose of a significant number of the Shares in the open market without depressing the Share price. In our opinion, given the fact that there were 205,200,000 Other Scheme Shares in issue as at the Latest Practicable Date and the average daily trading volume during the Review Period was 247,769 Shares, to provide the Disinterested Shareholders with some perspective on the implications of such thinly traded Shares, assuming 247,769 Shares can be disposed on a daily basis and with the existing 205,200,000 Other Scheme Shares in issue, it would take the Disinterested Shareholders approximately 828 trading days (or more than three years assuming 240 trading days per year) to liquidate 205,200,000 Other Scheme Shares representing their entire shareholding positions. We therefore consider that the Proposal provides the Disinterested Shareholders, particularly those who hold a large number of Shares, with an assured exit to dispose of all of their Shares at the Cancellation Price if they wish to (subject to the Conditions of the Proposal being satisfied).

The relative high level of trading volume during the period subsequent to the Last Trading Date up to and including the Latest Practicable Date, in comparison to the Pre-Announcement Period, resulting from, among others, the Proposal and the Scheme, may not be sustainable if the Proposal and the Scheme lapse. The Proposal and the Scheme, therefore, provide an opportunity for the Disinterested Shareholders, especially those holding a large block of the Shares, to dispose of their entire holdings at a fixed cash price.

*D. Industry Comparables*

The Group is principally engaged in the production and sale of fresh eggs and processed egg products in Singapore, which is a relatively unique industry among companies listed on the Hong Kong Stock Exchange. Based on the aforesaid criteria, there are no direct comparable company listed on the Hong Kong Stock Exchange that is engaged in identical business activities as the Group. Therefore we have extended our scope of search on Bloomberg to include companies engaged in packaged food manufacturing and sales.

Through Bloomberg, considering that the market capitalisation of the Company as at the Last Trading Date is approximately HK\$245 million, we have filtered and identified listed peers of the Company which meet the following selection criteria: (i) whose shares are listed on the Hong Kong Stock Exchange; (ii) which are principally involved in the packaged food manufacturing industry; and (iii) whose market capitalisation were between HK\$100 million and HK\$500 million, ranged from approximately 60% below to 104% above the market capitalisation of the Company.

Based on the information extracted from the Bloomberg with the abovementioned selection criteria, we have exhaustively identified six (6) comparable companies (the “**Industry Comparables**”). After considering that (i) the Industry Comparables are in a comparable industry to that of the Company with reference to the industry classification on Bloomberg; (ii) the shares of the Company and the Industry Comparables are both listed on the Hong Kong Stock Exchange; and (iii) the sample size of six (6) Industry Comparable is considered a fair sample size large enough to provide statistically distributed results, we consider that the sample to be fair and representative for the purpose of our analysis.

In conducting our analysis, we compared the price-to-earnings multiple (“**P/E Multiple**”) and price-to-book multiple (“**P/B Multiple**”) of the Company implied by the Cancellation Price against those of the Industry Comparables using the latest publicly available financial information. For the selection of the valuation multiples, given the fact that (i) P/B Multiple is effective in valuing asset-intensive companies; (ii) the Company has been profitable since listing; and (iii) P/E Multiple is a commonly-used valuation multiple to analyse companies which have a track record of generating profits, we consider that P/E Multiple and P/B Multiple are appropriate valuation multiples for our analysis. However, we noted from our analysis that four (4) out of six (6) Industry Comparables recorded net loss in the latest financial year. As such, the table below mainly includes the analysis of P/B Multiple while P/E Multiple will only serve as a reference:

**Table 6: List of Industry Comparables**

Name	Stock code	Principal business activities	Market Capitalisation <sup>Note 1</sup> (HK\$' million)	P/B Multiple (x) <sup>Note 2</sup>	P/E Multiple (x) <sup>Note 3</sup>	
Jiashili Group Limited ("Jiashili")	1285	The company is principally engaged in the manufacture and sale of biscuits.	477	0.46	6.85	
China Yurun Food Group Limited	1068	The company is principally engaged in meat products business.	395	N/A	N/A	
Labixiaoxin Snacks Group Limited	1262	The company is primarily engaged in the manufacturing and sale of snack foods.	393	2.02	N/A	
China Beidahuang Industry Group Holdings Limited	39	The company is principally engaged in the trading of food products.	379	0.70	N/A	
Summi (Group) Holdings Limited	756	The company is principally engaged in the production and sale of orange juice and related products.	316	N/A	N/A	
TS Wonders Holding Limited ("TS")	1767	The company and its subsidiaries are principally engaged in the production, packaging and retailing of food products.	212	0.46	6.49	
				<b>Maximum</b>	2.02	6.85
				<b>Minimum</b>	0.46	6.49
				<b>Median</b>	0.58	6.67
				<b>Average</b>	0.91	6.67
The Company	8609	The Company is principally engaged in the production and sale of fresh eggs and processed egg products.	551.5 <sup>Note 4</sup>	1.40 <sup>Note 5</sup>	4.77 <sup>Note 6</sup>	
				<b>Adjusted Implied P/B Multiple</b>	1.31 <sup>Note 7</sup>	

Sources: the Hong Kong Stock Exchange and Bloomberg

Notes:

1. *The market capitalisation is as at the Latest Practicable Date.*
2. *The P/B Multiples of the Industry Comparables are calculated by dividing their respective market capitalisation as at the Latest Practicable Date as per note 1 above by the most recently published NAV attributable to the shareholders of the Industry Comparables. NAV figures reported in RMB and S\$ are converted into HK\$ based on an exchange rate of RMB1.00 = HK\$1.09 and S\$1.00 = HK\$5.99 for illustrative purposes respectively.*
3. *The P/E Multiples of the Industry Comparables are calculated by dividing their respective market capitalisation as at the Latest Practicable Date as per note 1 above by the most recently published profit attributable to the shareholders of the Industry Comparables as extracted from their respective annual report. Profit figures reported in RMB and S\$ are converted into HK\$ based on an exchange rate of RMB1.00 = HK\$1.09 and S\$1.00 = HK\$5.99 for illustrative purposes respectively.*
4. *The implied market capitalisation of the Company (the “**Implied Market Value**”) under the Proposal of approximately HK\$551.5 million is calculated by multiplying the Cancellation Price of HK\$1.103 per Scheme Share with 500,000,000 issued Shares as at the Latest Practicable Date.*
5. *The implied P/B Multiple (the “**Implied P/B Multiple**”) of 1.40 times is calculated by dividing the Implied Market Value by the equity attributable to the owners of the Company as at 31 March 2024.*
6. *The implied P/E Multiple (the “**Implied P/E Multiple**”) of 4.77 times is calculated by dividing the Implied Market Value by the net profit attributable to owners of the Company for FY2024.*
7. *The adjusted implied P/B Multiple (the “**Adjusted Implied P/B Multiple**”) of 1.31 times is calculated by the dividing the Implied Market Value by the Unaudited Adjusted NAV.*

As shown in the table above, the P/B Multiples of the Industry Comparables ranged from approximately 0.46 times to approximately 2.02 times with average and median P/B Multiples of approximately 0.91 times and 0.58 times respectively. Both of the Implied P/B Multiple of 1.40 times and the Adjusted Implied P/B Multiple of 1.31 times are higher than the average P/B Multiple and significantly higher than the median P/B Multiple of the Industry Comparables respectively.

As shown in the table above, there are only two (2) Industry Comparable (i.e. Jiashili and TS) with P/E Multiple of approximately 6.85 times and 6.49 times respectively, and an average of 6.67 times, calculated by dividing the market capitalisation of the Industry Comparable as at the Latest Practicable Date with the most recently published full financial year’s profit attributable to the shareholders of the Industry Comparable. It is noted that the implied P/E Multiple of the Company is approximately 4.77 times (calculated by dividing the Implied Market Value with the net profit attributable to owners of the Company for FY2024). Although this is lower than the average P/E Multiple available of the Industry Comparables, it is noted that the profit after tax (“**PAT**”) registered by the Industry Comparables were HK\$66.6 million and HK\$32.7 million respectively, which are generally significantly lower than the PAT of the Company at S\$19.2 million (equivalent to approximately HK\$115.2 million), therefore resulting in a higher P/E Multiple as compared to the Company’s.

Given that: (i) a vast majority of the Industry Comparables recorded net loss in the latest financial year; (ii) the implied P/E Multiple of the Company is lower compared to the average P/E Multiple available of the Industry Comparables due to the significantly lower PAT of the Industry Comparables; and (iii) both of the Implied P/B Multiple of 1.40 times and the Adjusted Implied P/B Multiple of 1.31 times are higher than the average and median P/B Multiples of the Industry Comparables respectively, we consider that valuation implied by the Cancellation Price is more favourable compared to those of the Industry Comparables.

*E. Privatisation Comparables*

We have reviewed successful privatisation proposals to identify comparable privatisation transactions (the “**Privatisation Comparables**”) in order to assess the fairness and reasonableness of the Cancellation Price.

After considering that: (i) the Cancellation Price was determined with reference to other privatisation transactions in Hong Kong in recent years; and (ii) the Company is listed on GEM, we have researched for the Privatisation Comparables: (i) of which the shares of the target company were listed on GEM; and (ii) which were announced during the period from 1 January 2020 up to and including the Last Trading Date and were successfully privatised on or before the Latest Practicable Date, representing a period of more than four (4) years. The period of more than four (4) years is selected in order to provide a meaningful sample size for comparison purposes.

Based on the above selection criteria, we have exhaustively identified six (6) Privatisation Comparables. It should be noted that the subject companies in the Privatisation Comparables were involved in industries which are not identical to that of the Company. As such, the analysis should not be considered on an isolated basis but should be taken into account in totality with other factors for considering whether to accept the Proposal. Nevertheless, the Privatisation Comparables as a whole would be able to provide us with a meaningful analysis of the recent market trend of the pricing of privatisation proposals in the Hong Kong capital market. The table below illustrates the premiums or discounts of the cancellation prices offered by the corresponding offerors in each of the Privatisation Comparables over or to the corresponding prevailing share prices prior to the issue of the relevant privatisation announcements and the latest audited NAV per share attributable to shareholders of the company in respect of such Privatisation Comparables.

Table 7: Privatisation Comparables

#	Date of the Rule 3.5 announcement	Company name and stock code	Principal business activities	Premium/(discount) of cancellation price over/to closing share price/average share price on/over						Premium/ (discount) of cancellation price over/to the Latest audited NAV per share attributable to shareholders	
				Last trading day	Last 5 trading days	Last 10 trading days	Last 30 trading days	Last 60 trading days	Last 90 trading days		Last 180 trading days
1	10 Nov 2022	Media Asia Group Holdings Limited (8075)	The company is an entertainment company with business interests across Asian markets. The company is engaged in a wide range of music and entertainment related operations with its core focus on content distribution, both audio and audio-visual.	(7.00%)	(5.49%)	(1.10%)	(6.50%)	(27.12%)	(35.50%)	(48.70%)	239.9%
2	31 Aug 2022	China Binary New Fintech Group (8255)	The company distributes software and hardware products as a wholesaler. The company sells software technology services, smart hardware products, and also offers online transactions, micro financing facilitating services, and other services.	28.20%	34.40%	33.30%	28.50%	17.00%	10.90%	(6.90%)	(35.80%)
3	11 Nov 2021	PFC Device Inc. (8231)	The company manufactures electronic components. The company designs, produces and sells rectifier and other related discrete semiconductors.	29.63%	62.79%	76.10%	86.17%	83.49%	83.49%	63.36%	(5.79%)
4	19 Oct 2020	Powerleader Science & Technology Group Limited (8236)	The company is a cloud computing solutions provider in China, principally engaged in server, storage and solution provider business, electronic equipment and accessories (non-server and storage) distribution business etc.	14.60%	10.10%	10.10%	10.10%	12.00%	19.10%	34.57%	(50.90%)
5	22 Sep 2020	TEM Holdings Limited (8346)	The company, through its subsidiaries, manufactures power supply cords, wires, cables, connectors and other electrical products.	50.00%	65.70%	67.00%	59.50%	69.00%	72.50%	53.50%	(52.50%)

#	Date of the Rule 3.5 announcement	Company name and stock code	Principal business activities	Premium/(discount) of cancellation price over/to closing share price/average share price on/over										Premium/ (discount) of cancellation price over/to the Latest audited NAV per share attributable to shareholders
				Last trading day	Last 5 trading days	Last 10 trading days	Last 30 trading days	Last 60 trading days	Last 90 trading days	Last 180 trading days				
6	29 Jan 2020	Kingsley Edugroup Limited (8105)	The company provides educational services and focuses on tertiary language and skill educational programs.	12.50%	8.43%	7.57%	4.25%	5.81%	5.41%	(6.52%)	198.34%			
			<b>Maximum</b>	50.00%	65.70%	76.10%	86.17%	83.49%	83.49%	83.49%	63.36%	239.90%		
			<b>Minimum</b>	(7.00%)	(5.49%)	(1.10%)	(6.50%)	(27.12%)	(35.50%)	(48.70%)	(52.50%)			
			<b>Average</b>	21.32%	29.32%	32.16%	30.34%	26.70%	25.98%	14.89%	48.88%			
			<b>Median</b>	21.40%	22.25%	21.70%	19.30%	14.50%	15.00%	14.03%	(20.80%)			
			<b>The Cancellation Price</b>	125.10%	122.40%	125.60%	129.80%	161.40%	186.50%	233.20%	40.20%			
			<b>The Total Price</b>	141.80%	138.90%	142.30%	146.90%	180.80%	207.80%	258.00%	50.60%			

Sources: the Hong Kong Stock Exchange and Bloomberg

Note: None of the Privatisation Comparables have comparison to re-assessed NAV per share attributable to shareholders.



As shown in the table above, the premiums represented by the Cancellation Price and the Total Price over (i) the closing price for the Last Trading Date; and (ii) the average closing price of the Shares for the last 5, 10, 30, 60, 90 and 180 trading days up to and including the Last Trading Date, are significantly higher than the ranges of premiums of the Privatisation Precedents, respectively. Furthermore, the premiums represented by the respective Cancellation Price and the Total Price over the Last Trading Date, last 5, 10, 30, 60, 90 and 180 trading days are also well above the average and median premiums of the Privatisation Comparables for the corresponding periods. In addition, the premium of the Cancellation Price and the Total Price over the audited consolidated NAV per Share attributable to Shareholders falls within the range of the Privatisation Comparables and is higher than the median and average of the Privatisation Comparables, respectively. In view of the above, we are of the view that the Cancellation Price and the Total Price are fair and reasonable.

### **3. Analysis on Special Deal relating to the Offeror Cooperation Arrangement**

#### *Background of 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. Since the Offeror Cooperation Arrangement contains special arrangements not offered to all Shareholders, the Offeror Cooperation Arrangement constitutes a special deal under Rule 25 of the Takeovers Code and requires, amongst others, the approval of the Disinterested Shareholders at the EGM.

#### *A. 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. Details of the terms of the Shareholders' Deed are set out in section headed "Shareholders' Deed" in the Explanatory Memorandum.

#### **(i) Terms of the Shareholders' Deed**

We consider that the terms of the Shareholders' Deed can be broadly classified into the following three (3) categories for discussion purpose:

- (a) Terms applied to both Betagro and Mr. Ma (via Founder Holdco);
- (b) Terms that may not be considered as favourable to Mr. Ma (via Founder Holdco); and
- (c) Terms that may be considered as favourable to Mr. Ma (via Founder Holdco).

(a) *Terms applied to both Betagro and Mr. Ma (via Founder Holdco)*

Terms applied to both Betagro and Mr. Ma (via Founder Holdco) include consortium, condition and completion, board composition, funding, reserved matters, pre-emption rights and termination.

(b) *Terms that may not be considered as favourable to Mr. Ma (via Founder Holdco)*

Terms that may not be considered as favourable to Mr. Ma (via Founder Holdco) are those terms that Mr. Ma passes certain rights to Betagro, such as transfer restriction, non-compete and non-solicitation.

(c) *Terms that may be considered as favourable to Mr. Ma (via Founder Holdco)*

Terms that may be considered as favourable to Mr. Ma (via Founder Holdco) are those terms that Mr. Ma may receive benefits that are not offered to all Shareholders, such as (i) the 125,000,000 Founder Rollover Scheme Shares which will be cancelled in consideration of the Cancellation Price and shall be satisfied by the Offeror allotting and issuing Offeror Shares to the Founder Holdco credited as fully paid (the “**Rollover Arrangement**”), resulting in Mr. Ma becoming a shareholder of the Offeror; and (ii) the option to sell the Offeror Shares held by the Founder Holdco to Betagro only in the event of a deadlock or default situation (the “**Deadlock Option**”).

A deadlock situation arises if (i) any reserved matters put to the board within a 12-month period is not agreed upon or resolved; or (ii) no quorum is present in the board meeting or adjourned board meeting (where applicable) to consider the reserve matter, and the deadlock situation is not resolved within 30 calendar days after the date the deadlock was deemed to have arisen.

A default situation refers to customary events of default that covers (i) either party to the Shareholders’ Deed has committed a material breach on the provisions and failed to remedy within a specified timeframe; (ii) either party becomes unable to pay its debts or makes arrangement with its creditors or encountered appointment of receiver or such similar officer; (iii) Mr. Ma committed a breach of any provision of the Service Deed and failed to remedy within a specified timeframe; and (iv) Mr. Ma does not remain employed by Betagro or its affiliates in any capacity during three (3) years from the effective date of the Service Deed and/or the Service Deed is terminated due to, amongst others, gross misconduct, serious or wilful breach and incapacitation of Mr. Ma.

Under the above-mentioned circumstances, Betagro shall be entitled (but not obliged) to request the Founder Holdco to sell all its Offeror Shares held to Betagro at a price being 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 (2) financial years immediately preceding the date of such notice request and deducting the net debt of the Offeror as set out in the Shareholders' Deed.

If Betagro is the defaulting party under the default situation, both parties will refer the dispute, if it cannot be settled between the parties amicably, to be resolved by arbitration in Singapore in accordance with the arbitration rules.

**(ii) Our assessment**

The Shareholders' Deed sets out, amongst others, the principal terms with respect to the governance of the Offeror and the rights and obligations of the shareholders of the Offeror, which shall take full effect upon the Scheme becoming effective. In our view, terms relating to sections (a) and (b) above are not uncommon in agreements of similar nature among shareholders for the purpose of governing a company. In terms of management of the Offeror, there are provisions in the Shareholders' Deed setting out responsibility of the board, power to nominate directors of the board by the shareholders, as well as reserved matters that requires a majority vote of the directors that must include the approval of Mr. Ma or his nominated director.

Upon the Shareholders' Deed becoming effective, Betagro who currently owns 75% equity interests of the Offeror, will nominate the majority of the directors totalling three (3) in number, whilst Founder Holdco, with 25% equity interests in the Offeror, will nominate two (2) directors, of which Mr. Ma shall be a nominee.

**(1) Rollover Arrangement**

*Background*

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 interests of the Company after the Scheme becomes effective. Accordingly 125,000,000 Founder Rollover Scheme Shares will be cancelled in consideration of the Cancellation Price and shall be satisfied by the Offeror allotting and issuing Offeror Shares to the Founder Holdco credited as fully paid, resulting in Mr. Ma becoming a shareholder of the Offeror.

Mr. Ma (via Founder Holdco) is the founder of the Group and is instrumental in the business development and expansion of the Group, culminating to its listing on the Hong Kong Stock Exchange on 7 September 2018. Furthermore the Group has consistently recorded profits since its listing.

Betagro believes that Mr. Ma has made significant and invaluable contribution to the business of the Group over the past years, and continues to play a critical role in the daily operations of the Group in providing valuable strategic direction to the development of the Group following completion of the Scheme. Accordingly it would be important to offer the Rollover Arrangement to Mr. Ma and to allow him to retain some of his shareholding interests in the Group in order to secure his continued support for the future of the Group.

To assess whether the Rollover Arrangement is fair and reasonable, we have examined the following principal factors:

- (A) *Risk associated with minority protection in the Offeror as a private company*

Should the Disinterested Shareholders be given the opportunity to participate in the Rollover Arrangement and become a shareholder of the Offeror (“**Hypothetical Scenario**”), the Disinterested Shareholders’ interests in the Offeror would no longer be safeguarded by regulations to protect minority shareholders applicable to listed companies on the Hong Kong Stock Exchange, such as the GEM Listing Rules and/or the Takeovers Code. The Offeror is an unlisted company incorporated in Singapore and its shares are illiquid with no ready market.

Under the Hypothetical Scenario, as a private company, the Offeror would not be subject to the same level of corporate governance and minority protection requirements as set out in the GEM Listing Rules. In particular, minority protection under the general principles of the GEM Listing Rules (including the fair and equal treatment of all shareholders), information rights for shareholders under the GEM Listing Rules (such as the release of financial results/reports), and the existing shareholders’ approval requirements under Chapter 19 and Chapter 20 of the GEM Listing Rules regarding notifiable transactions and connected transactions that are currently applicable to the Company as a company listed on GEM would no longer apply so far as the Disinterested Shareholders are concerned.

The Takeovers Code would only remain applicable to the Company, should the Company continue to be a public company in Hong Kong. In the event that the Company ceases to be a public company, for example due to having fewer than 50 members, it would no longer be subject to the Takeovers Code. In that case, the interests of the Disinterested Shareholders would be primarily safeguarded by the constitutional documents of the Offeror (i.e. the memorandum and articles of association of the Offeror), provisions regarding the protection of minority shareholders' rights under the Companies Act 1967 of Singapore and at common law (but not by the GEM Listing Rules and the Takeovers Code).

*(B) Investment risks associated with holding the Shares as a private investment*

Under the Hypothetical Scenario, the Disinterested Shareholders might find it difficult to realise their shareholdings as no public trading in the Offeror Shares would be available. It would be particularly difficult for individual Disinterested Shareholders to find potential buyers for the Offeror Shares through private transactions. By committing to the Hypothetical Scenario, the Disinterested Shareholders would be forfeiting the opportunity to dispose of their Shares upon completion of the Scheme. In other words, under the Hypothetical Scenario, the Disinterested Shareholders may be left with the Offeror Shares that are highly illiquid and difficult to dispose of. All in all, if Disinterested Shareholders wish to participate in the Rollover Arrangement as a private investment, this would arguably not represent a sound investment decision and would inevitably expose them to future investment risks as discussed above.

*(C) Reliance on Mr. Ma in the contributions of the future development of the Group*

The main objective of the Offeror Cooperation Arrangement, including the Shareholders' Deed and the Rollover Arrangement, are among others, to retain and motivate Mr. Ma (being an executive Director, the chairman of the Board and the chief executive officer of the Company) to continue serving the Group and the Rollover Arrangement is meant to maintain his economic interests in the Offeror Group after the implementation of the Scheme, so that Mr. Ma will be incentivised to contribute to the future development and growth of the Offeror Group.

Betagro considers Mr. Ma, being the founder of the Group, has been instrumental in guiding the business development and expansion of the Group since 2006 and is the key driver to the continued success of the Group through his involvement in the day-to-day management and provision of strategic directions to the Group.

Betagro therefore recognises the importance of Mr. Ma to retain beneficial interest in the Offeror Group and be involved in the management and business operation of the Offeror Group after the Scheme becomes effective, to ensure the benefits of synergies and collaboration between the Offeror and the Company continue to be realised which will benefit the sustainable development and growth of the Offeror Group. As such, the prospects and future performance of the Offeror Group would therefore, to a certain extent and among other things, hinge on the capabilities and performance of the management team under the stewardship of Mr. Ma and the synergy created with Betagro and its subsidiaries (the “**Betagro Group**”).

After taking into account of the above consideration, we are of the view that the Rollover Arrangement is fair and reasonable as far as the Disinterested Shareholders are concerned.

**(2) Deadlock Option**

We note that the Deadlock Option is only triggered in exceptional situations when both parties are at a deadlock situation or if an event of default arises. The potential benefits of the Deadlock Option are contingent upon such incidents, which are not considered common occurrence and are subject to the procedures outlined in the Shareholders’ Deed. Therefore, there is no guarantee that Mr. Ma (via Founder Holdco) will eventually receive these potential benefits.

The price in which Founder Holdco has to dispose the Offeror Shares under the Deadlock Option is determined in accordance with a formula. The formula is set out below:

$$A = B \times (((C/2) \times 7.5) - D)$$

Where:

A = Deadlock call price.

B = Founder Holdco’s shareholding percentage as at the date of the deadlock call option notice.

C = The aggregate of the EBITDA for the eight (8) completed financial quarters (i.e. 2 years) immediately preceding the date of the deadlock call option notice based on the latest available audited financial statements of the Offeror for such financial quarters.

D = Net debt preceding the date of the deadlock call option notice based on the latest available audited financial statements of the Offeror for such financial quarters, provided that if the latest available audited financial statements are prepared as at a date more than 6 months prior to the date of deadlock call option notice, an interim audit shall be undertaken by the Offeror Group's auditors or such other mutually agreed reputable audit firm, costs of which are to be borne solely by Betagro.

The valuation of the Offeror under the formula is inherently uncertain and subject to fluctuations, resulting in Mr. Ma having a possibility to bear the risk of a potential fall in value of the Offeror since it takes into account of the average EBITDA of the Offeror for the future two (2) financial years and net debt position of the Offeror. There is no guarantee that future EBITDA of the Offeror will match the current performance of the Group. Economic conditions, competitive pressures and internal operational efficiencies are among the factors that could impact the Offeror's future valuation in terms of its profitability as well as the financial position of the Offeror at that point in time with respect to its debt position.

If the sale consideration to be received by Mr. Ma under the Deadlock Option falls below S\$20,000,000 (approximately HK\$119,800,000) (the "**Minimum Consideration**"), Mr. Ma will be entitled to receive S\$20,000,000 for the sale of his 24,725,997 Offeror Shares (representing 25% of the issued shares of the Offeror), which was issued pursuant to the cancellation of the 125,000,000 Founder Rollover Scheme Shares. The Minimum Consideration represents a discount of approximately 13.1 % to the value of 125,000,000 Founder Rollover Scheme Shares, when multiplied by the Cancellation Price, totalled HK\$137,875,000. This indicates that in the worst case scenario, Mr. Ma would be receiving the Minimum Consideration, which is a reduced amount as compared to the Cancellation Price, in the future.

*B. Service Deed*

Upon the Scheme becoming effective, Mr. Ma will serve as the chief executive officer of the Offeror in order to provide advice and assistance to the Offeror in the transition of the operations and post-merger integration of the Group to the Betagro Group and to continue contributing 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.

**(i) Terms of the Service Deed**

The principal terms of the Service Deed are summarised below. Details of the terms of the Service Deed are set out in section headed “Service Deed” in the Explanatory Memorandum.

*(A) Term*

An initial term of three (3) years (the “**Employment Term**”), taking effect on the later of (a) the date the Scheme becomes effective; or (b) the date when the results of Mr. Ma’s pre-employment medical examination is certified to be satisfactory. The term can be further extended for an additional three (3) years subject to mutual agreement (the “**Extended Term**”).

*(B) Remuneration*

Annual salary of S\$840,000, a minimum guaranteed bonus of one (1) month’s salary after each completed year of service and an annual allowance of not less than S\$120,000. Any discretionary bonuses will be determined by the board of the Offeror which Mr. Ma shall abstain from voting at the board meeting.

*(C) Non-compete and non-solicitation restrictions (the “**Non-compete Restrictions**”)*

During the Employment Term and the Extended Term (if applicable) and for a period of 60 months after cessation of such employment (the “**Restricted Period**”), Mr. Ma cannot, directly or indirectly, amongst others: (i) engage or be involved in any capacity in business that competes with the Offeror Group; or (ii) assist with technical or commercial advice to any person or company engaged in the manufacture and/or marketing any products or services in competition with the Offeror Group, in Singapore or any other countries which the Offeror Group conducts business, without prior written consent of the Offeror. He is also prohibited from soliciting clients, distributors or employees of the Offeror Group, and from using name in



any trade, business or company that is likely to be confused with the name of any member of the Offeror Group during the aforesaid period.

*(D) Compensation for Non-compete Restrictions*

In consideration for the compliance of Mr. Ma with the Non-compete Restrictions, he is entitled to a one-time conditional compensation of S\$4,000,000 (the “**Non-compete Compensation**”) (subject to applicable tax withholdings and Central Provident Fund contribution as required by Singapore laws) to be paid in one lump sum within seven (7) days upon the Scheme becoming effective. Such payment is conditional upon the compliance of Mr. Ma of the continuing Non-compete Restrictions for the entire duration of the Employment Term and Extended Term (if applicable) and the Restricted Period. In the event of any breach of the Non-compete Restrictions by Mr. Ma, he shall immediately repay the full amount of the Non-compete Compensation to the Offeror upon the Offeror’s demand.

**(ii) Our assessment**

*(a) Reasons for the Service Deed*

We are given to understand that Betagro expects to rely heavily on Mr. Ma’s solid expertise, in-depth industry knowledge, deep understanding of the Singapore egg market and long-term established relationships with the customers, distributors and suppliers carefully cultivated by Mr. Ma to contribute to the sustainable development and growth of the Offeror Group.

As highlighted in Betagro’s news publication on July 4, 2024, Betagro has outlined its international business strategy for 2024, focusing on expanding its presence in ASEAN (Association of Southeast Asian Nations) countries and building a robust foundation for the food industry from upstream to downstream. To continue in this expansion plan after penetrating the markets in Cambodia, Laos and Myanmar, Betagro now sets its sight on Singapore, strategically leveraging Mr. Ma’s extensive experience and deep industry knowledge. As such, Betagro recognises the critical need for Mr. Ma to focus on the Singapore market, as Betagro is new to the egg market in Singapore. Betagro expects to rely significantly on Mr. Ma’s solid expertise, extensive industry knowledge, and profound understanding of the Singapore egg market. Therefore, by retaining Mr. Ma, Betagro aims to harness his expertise to effectively navigate the challenges and opportunities that will arise in the new market.

Furthermore, Mr. Ma’s long-standing relationships with customers, distributors and suppliers, developed since 2006, are critical for Betagro to secure a strong foothold in Singapore. His insights into market dynamics and industry complexities will be vital in identifying and capitalising on emerging opportunities. Betagro anticipates that Mr. Ma’s leadership will facilitate a smooth transition and enhance synergies between the Offeror Group and the Company.

By engaging Mr. Ma’s expertise, Betagro aims to adeptly navigate the challenges and opportunities inherent in this new market, ensuring the sustainable development and growth of the Offeror Group. Accordingly we are of the view that the entering of the Service Deed between Mr. Ma and the Offeror is fair and reasonable.

(b) *Remuneration Package*

In our evaluation of the remuneration package of Mr. Ma under the Service Deed (the “**Remuneration Package**”), we have reviewed the existing service agreement (and the addendum to service agreement) between Mr. Ma and the Company, and noted that Mr. Ma’s current annual salary is S\$840,000, representing a monthly salary of S\$70,000, with a transportation and other allowance of S\$10,000 per month. This is identical to the proposed annual salary of S\$840,000 and an annual allowance of not less than S\$120,000 stipulated in the Service Deed.

We have also made reference to the historical remuneration package of Mr. Ma in the past three (3) years, a period which we view would give a reasonable reference. Set out below are his historical remuneration as extracted from the annual reports of the Company:

Financial Year	Annual salary (S\$)	Allowance (S\$)	Total salaries (S\$)	Bonus (S\$)	Monthly salary (S\$)	Monthly salary represented by bonus (month)
FY2022	600,000	120,000	720,000	60,000	50,000	1.20
FY2023	600,000	120,000	720,000	180,000	50,000	3.60
FY2024	780,000 <sup>1</sup>	120,000	900,000	160,000	65,000 <sup>2</sup>	2.29 <sup>3</sup>
Service Deed	840,000	120,000	960,000	70,000 <sup>4</sup>	70,000	1.00

Notes:

- 1 *this represents the sum of monthly salary he received of S\$50,000 from April 2023 to June 2023; and S\$70,000 from July 2023 to March 2024*
- 2 *this represents an average monthly salary for FY2024 by dividing the annual salary of FY2024 by 12 months*
- 3 *this is calculated based on bonus of S\$160,000 dividend by the latest monthly salary of S\$70,000*
- 4 *minimum guaranteed bonus of one (1) month's salary stipulated in the Service Deed*

Source: *annual reports of the Company and the Company*

As illustrated in the table above, we noted that the annual salary of S\$840,000 in the Service Deed matches with his existing salary stated in his service agreement and his annual salary was increased to S\$840,000 on 1 July 2023 in consideration of the increase workload arising from the substantially increased farm operation with the completion of existing chicken egg farm and the new quail farm. Although the existing service agreement of Mr. Ma with the Company does not stipulate a guaranteed bonus, he has been receiving annual bonus consistently since the Company was listed in 2018. The minimum guaranteed bonus of one (1) month's salary stipulated in the Service Deed is lower than the historical bonus that he has received for the past three (3) financial years.

Based on the above factors, we are of the view that the Remuneration Package stipulated in the Service Deed is consistent with Mr. Ma's historical remuneration over the past three (3) years, reflecting his increasing value and contributions to the Company, and therefore is fair and reasonable.

(c) *Non-compete Compensation*

We note that offering compensation for non-competition and non-solicitation restrictions is not uncommon, in particular for senior executives where their industry-specific knowledge and experience, expertise, business network and established relationships with clients and/or suppliers are highly valuable, and present an inherent risk to the companies in terms of direct competition after they leave their employment and consider setting up business that will compete with their former employers. This market norm is particularly prominent in biotechnology industry or in industries where only a handful of players exist, such as the Company in which it is one of the only three licensed layer farms in Singapore. Therefore, we have conducted a search on prospectuses of biotechnology companies listed under Chapter 18A of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and have exhaustively identified thirteen (13) companies that provide non-compete compensation for their senior executives ("**Non-compete Comparables**").

**Table 8: Non-compete Comparables**

Company name	Stock code	Employee category	Non-compete period (months)	Compensation payable during non-compete period
Shanghai MicroPort MedBot (Group) Co., Ltd.	2252	Senior management and key personnel	24	Monthly compensation
Jiangsu Recbio Technology Co., Ltd.	2179	Senior management and key personnel	24	A percentage of monthly average salary <sup>1</sup> as monthly compensation
CARsgen Therapeutics Holdings Limited	2171	Key management and technical personnel	12 to 24	Monthly compensation
MicroPort CardioFlow Medtech corporation	2160	Senior management and key personnel	24	Monthly compensation
Sunho Biologics, Inc.	2898	Senior management and key personnel	24	Minimum wage standard <sup>2</sup> as monthly compensation
Jenscare Scientific Co., Ltd	9877	Senior management and key personnel	24	Monthly compensation
Asclepis Pharma Inc.	1672	Senior management and key personnel	12	A percentage of monthly average salary <sup>1</sup> as monthly compensation
HighTide Therapeutics, Inc.	2511	Senior management and key personnel	24	Compensation if losses was incurred to relevant employee
Beijing Airdoc Technology Co., Ltd.	2251	Senior management and key personnel	24	Monthly compensation
Kintor Pharmaceutical Limited	9939	Senior management and key personnel	24	one-third of the average salary as monthly compensation
Clover Biopharmaceuticals, Ltd.	2197	Senior management and key personnel	24	Monthly compensation
Everest Medicines Limited	1952	Key management and technical personnel	12	A percentage of monthly average salary <sup>3</sup> as monthly compensation
Suzhou Basecare Medical Corporation Limited	2170	Senior management and key personnel	12	Monthly compensation

*Notes:*

1. *Monthly average salary is calculated based on the salary in the 12 months immediately preceding the termination or expiration of the employment contract.*
2. *This relates to the minimum wage standard adopted in the place where the employing entity is situated before the termination of employment.*
3. *The employee shall only continue to comply with the non-competition obligation if the company elects to compensate such employee.*

*Source: prospectuses of the companies*

We note the Non-compete Restrictions is comprehensive, covering business activities in Singapore and any other countries which the Offeror Group has a business presence during the 60-month period. The duration of 60 months is considered a long period but is justifiable by Mr. Ma's deep involvement and influence in the Company's operations, as well as his solid industry expertise. The clauses, with an extensive scope of location, effectively protect the Offeror Group's interests by preventing Mr. Ma from leveraging proprietary knowledge or relationships for the benefit of a competitor, and the Non-Compete Compensation compensates for the long period of restrictions, making it a fair trade-off between the parties.

In the event of a breach of the Non-compete Restrictions by Mr. Ma under the Service Deed, Mr. Ma shall immediately repay the Non-Compete Compensation in full, which acts as a safeguard in ensuring that the Offeror is protected financially. This ensures that the Non-Compete Compensation is not merely a compensation to Mr. Ma, but a binding contract that holds significant consequences if violated.

We were made to understand from the Offeror, as advised by its lawyers, that under Singapore law, the Non-compete Restrictions are prima facie unenforceable unless it is demonstrated by the party seeking to enforce it that they are, among other things, reasonable in the circumstances. In addition, as the Non-compete Restrictions are not presently in Mr. Ma's employment terms, their introduction as an additional undertaking would need to be supported by consideration in order to be enforceable. The Offeror was further advised that a factor which the Singapore courts would take into consideration in determining whether the Non-compete Restrictions are reasonable would be whether Mr. Ma has received valuable consideration, which is reasonable and adequate, in exchange for his compliance with the Non-compete Restrictions.

Using the Restricted Period of 60 months as reference, the Non-Compete Compensation of S\$4,000,000 translates to approximately S\$66,667 per month. This monthly amount is lower than Mr. Ma's existing monthly total remuneration under the Service Deed of S\$70,000 salary and a S\$10,000 allowance, which will tantamount to a total of S\$4,800,000 for 60 months. Since he is totally barred from undertaking a trade and/or earning a living using the skill he is knowledgeable and good at, it is only fair and reasonable that he is compensated at the level equating to his current earning capability. Accordingly, the Non-Compete Compensation is fair and reasonable.

Furthermore, the benefit of the Non-Compete Compensation accorded to Mr. Ma has been equally extended to the Other Scheme Shareholders as reflected on the Additional Price of HK\$0.082 per Other Scheme Share. As stated in the Letter from Board, the total price to be received by each Other Scheme Shareholder, subject to the Scheme becomes 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.

In conclusion, as the Offeror has identified Mr. Ma to be the key management personnel in driving the growth and future directions of the Offeror Group, the remuneration package has to provide sufficient incentive for him to contribute positively to the Offeror Group. Furthermore, the established relationships that he has fostered will enhance the Offeror Group's credibility and facilitate smoother integration and collaboration. His strategic vision and market understanding will be invaluable assets that support the Offeror Group's objectives and growth trajectory. Furthermore, the benefit of the Non-Compete Compensation that he will be entitled for his continuous compliance with the Non-Compete Restrictions has been equally extended to the Other Scheme Shareholders that is reflected in the Additional Price. Accordingly, we are of the view that the terms in the Service Deed are fair and reasonable, recognising his value to the Offeror Group and ensuring his continued commitment to the Offeror Group's growth and strategic objectives.

*C. 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, providing 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. Details of the terms of the Deed of Indemnity are set out in section headed "Deed of Indemnity" in the Explanatory Memorandum.

*Our assessment*

The Deed of Indemnity plays a vital role in providing the Offeror and Betagro with necessary protection during the Proposal. By providing warranties related to corporate matters, financial accounts and tax issues, the Deed of Indemnity ensures that the Offeror is safeguarded against any undisclosed risks regarding the Group's situation. The level of assurance is particularly important during the Proposal, where clarity about the Group's financial position is crucial for making informed decisions.

The Deed of Indemnity also encompasses commitment from Mr. Ma (via Founder Holdco) to vote in favour of the Scheme at the EGM, functioning similarly to an irrevocable undertaking. This guarantees the reliance that the Offeror can place on Mr. Ma (via Founder Holdco), reducing the possibility of any unforeseen objections that could hinder the process of the Proposal. The restriction on shares disposal further protects the Offeror's interests, ensuring a smoother path in the implementation of the Proposal. In summary, the Deed of Indemnity helps to align the interests of all parties involved, promoting a successful and efficient transaction. Therefore we are of the view that the terms of the Deed of Indemnity are fair and reasonable so far as the Disinterested Shareholders are concerned.

**OPINION AND RECOMMENDATION**

In arriving at our recommendation in respect of the Proposal, the Scheme and the Offeror Cooperation Arrangement, we have considered the principal factors and reasons as discussed above and as summarised below:

- (i) the Cancellation Price represents significant premiums over the prevailing market prices of the Shares, in particular, the Cancellation Price has been at all times higher than the closing Share prices during the Review Period, save and except for only two (2) days on 21 October 2024 and 22 October 2024 (being the Latest Practicable Date) in which the closing Share prices were above the Cancellation Price at HK\$1.110 and HK\$1.120 respectively. In addition, the Cancellation Price of HK\$1.103 per Scheme Share is significantly higher than the average closing price of the Shares during the Pre-Announcement Period of HK\$0.28 per Share. Furthermore the Total Price to be received by the Disinterested Shareholders is still higher than the closing Share prices on 21 October 2024 and 22 October 2024 respectively;
- (ii) given the very thin trading volume of the Shares, it is uncertain whether there would be sufficient liquidity in the trading of the Shares for the Disinterested Shareholders to dispose of a significant number of the Shares in the open market without depressing the Share price. The Proposal provides the Disinterested Shareholders, particularly those who hold a large number of Shares, with an assured exit to dispose of all of their Shares at the Total Price if they wish to (subject to the Conditions of the Proposal being satisfied);
- (iii) the Implied P/B Multiple of 1.40 times is slightly lower than the maximum P/B Multiple of the Industry Comparables and is higher than each of the average and median P/B Multiples of the Industry Comparables respectively; and

- (iv) the premium of the Cancellation Price and Total Price over (i) the closing price for the Last Trading Date; and (ii) the average closing price of the Shares for the last 5, 10, 30, 60, 90 and 180 days up to and including the Last Trading Date are well above the ranges of the Privatisation Comparables, respectively. In addition, the premium of the Cancellation Price and Total Price over the respective audited consolidated NAV attributable to Shareholders per Share falls within the ranges of the Privatisation Comparables and is higher than the median and average of the Privatisation Comparables, respectively.

Based on the above, in conclusion, we consider the terms of the Proposal and the Scheme are fair and reasonable so far as the Disinterested Shareholders are concerned and the Scheme provides the Scheme Shareholders with an opportunity to realise their investments in the Shares in cash. Taking into account (i) the Scheme Shareholders will not be able to enjoy the benefits under the Proposal unless the Offeror Cooperation Arrangement is approved at the EGM; and (ii) the terms of the Shareholders' Deed (in particular the Rollover Arrangement), Service Deed (in particular the Remuneration Package and the Non-Compete Compensation) and the Deed of Indemnity, all covered under the special deal relating to the Offeror Cooperation Arrangement, are fair and reasonable as discussed in the section headed "Analysis on Special Deal relating to the Offeror Cooperation Arrangement" above, we recommend the Independent Board Committee to advise the Disinterested Shareholders to vote in favour of (i) the Scheme at the Court Meeting; and (ii) the Offeror Cooperation Arrangement as a special deal and the resolutions in connection with the implementation of the Proposal at the EGM.

Disinterested Shareholders should note that the price of the Shares has substantially increased following the publication of the Announcement and the closing Share prices have been trading below the Cancellation Price within a narrow band around HK\$1.03 per Share to HK\$1.09 per Share since the publication of the Announcement, except for only two (2) days on 21 October 2024 and 22 October 2024 (being the Latest Practicable Date) in which the closing Share price was above the Cancellation Price at HK\$1.110 and HK\$1.120 respectively. This price range is significantly above the average closing Share price during the Pre-Announcement Period of HK\$0.28 per Share. Therefore, there is no assurance that the Share price will remain at the current level if the Proposal and the Scheme lapse.

Further details regarding the procedures of the Proposal and the Scheme are set out in the Explanatory Memorandum. Disinterested Shareholders are urged to act according to the timetable set out in the Scheme Document if they wish to qualify for entitlements under the Scheme.

Yours faithfully,  
For and on behalf of  
**Opus Capital Limited**  
**Koh Kwai Yim**  
*Managing Director*

*Ms. Koh Kwai Yim is the Managing Director of Opus Capital and is licensed under the SFO as a Responsible Officer to conduct Type 6 (advising on corporate finance) regulated activity. Ms. Koh has over 20 years of corporate finance experience in Asia and has participated in and completed various financial advisory and independent financial advisory transactions.*



*This Explanatory Memorandum constitutes the statement required under Order 102, rule 20(4)(e) of the Rules of the Grand Court of the Cayman Islands 2023 (as revised).*

## **SCHEME OF ARRANGEMENT (UNDER SECTION 86 OF THE COMPANIES ACT)**

### **1. INTRODUCTION**

Reference is made to the Announcement issued by the Offeror and the Company in relation to the Proposal. 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 books of account of the Company as a result of the 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 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 after the Effective Date.

The purpose of this Explanatory Memorandum is to set out the terms and effects of the Proposal (including the Scheme) and the Offeror Cooperation Arrangement and to provide the Scheme Shareholders with further information in relation to the Proposal (including the Scheme) and the Offeror Cooperation Arrangement.

Particular attention is drawn to (i) the letter from the Independent Board Committee set out in Part V of this Scheme Document; (ii) the letter from the Independent Financial Adviser set out in Part VI of this Scheme Document; and (iii) the terms of the Scheme set out in Appendix IV to this Scheme Document.

## **2. TERMS OF THE PROPOSAL**

### **The Scheme**

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 Latest Practicable Date), 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 Latest Practicable Date) 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”), 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 discount of approximately 1.5% to the closing price of HK\$1.120 per Share as quoted on the Hong Kong Stock Exchange on the Latest Practicable Date;
- (b) 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;
- (c) 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;
- (d) 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;
- (e) 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;
- (f) 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;
- (g) 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;
- (h) 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;

- (i) 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 Latest Practicable Date; and
- (j) a premium of approximately 30.5% over the adjusted unaudited net asset value attributable to Shareholders per Share of approximately HK\$0.845 per Share 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 Latest Practicable Date, as adjusted by the revaluation surplus arising from the valuation of the property interests held by the Group as at 31 August 2024, as set out in the property valuation report in Appendix III to this Scheme Document, of approximately S\$4.80 million (equivalent to approximately HK\$28.75 million).

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 5.8% over the closing price of HK\$1.120 per Share as quoted on the Hong Kong Stock Exchange on the Latest Practicable Date;
- (b) 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;
- (c) 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;
- (d) 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;

- (e) 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;
- (f) 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;
- (g) 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;
- (h) 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;
- (i) 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 Latest Practicable Date; and
- (j) a premium of approximately 40.2% over the adjusted unaudited net asset value attributable to Shareholders per Share of approximately HK\$0.845 per Share 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 Latest Practicable Date, as adjusted by the revaluation surplus arising from the valuation of the property interests held by the Group as at 31 August 2024, as set out in the property valuation report in Appendix III to this Scheme Document, of approximately S\$4.80 million (equivalent to approximately HK\$28.75 million).

### Highest and lowest prices

During the Relevant Period, the highest closing price of the Shares as quoted on the Hong Kong Stock Exchange was HK\$1.120 on 22 October 2024, and the lowest closing price of the Shares as quoted on the Hong Kong Stock Exchange was HK\$0.265 during the period from 29 February 2024 to 25 March 2024.

**Dividend payment by the Company**

As at the Latest Practicable Date, the Company had not declared any dividend or other distribution and/or other return of capital which remains unpaid, and the Company did 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 Latest Practicable Date, 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 the Announcement, this 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 associated with the cancellation of 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 applying the reserve created in the books of account of the Company as a result of the 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 associated with 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 associated with 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 the 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. As at the Latest Practicable Date, the Company had made notifications to the relevant banks, pending completion of their respective internal processes, and the Company was not aware of any circumstances which may preclude the obtaining of the requisite third-party consents.

Save for the above, as at the Latest Practicable Date, the Company was 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 Latest Practicable Date 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 were 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 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 offers 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 held 294,800,000 Shares (representing 58.96% of the issued Shares) as at the Latest Practicable Date, 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 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 has made 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 Independent Financial Adviser has stated in the letter from the Independent Financial Adviser that it considers that the terms of the Proposal (including the Scheme) and the Offeror Cooperation Arrangement, are fair and reasonable so far as the Disinterested Shareholders are concerned. Accordingly, the Independent Financial Adviser has recommended the Independent Board Committee to advise the Disinterested Shareholders to vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal (including the Scheme) and the Offeror Cooperation Arrangement at the EGM. Please refer to the full text of the letter from the Independent Financial Adviser as set out in Part VI of this Scheme Document. If the Offeror Cooperation Arrangement is not approved by the Disinterested Shareholders at the EGM, the Offeror Cooperation Arrangement will not be implemented, and the Scheme will not proceed.

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 the 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 intercompany 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.

- (l) **Termination.** Upon the publication of the 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 the 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 Latest Practicable Date, Mr. Ma was 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-complete 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 Latest Practicable Date:

- (a) the authorised share capital of the Company was HK\$100,000,000 divided into 10,000,000,000 Shares and the Company had no relevant securities other than the 500,000,000 Shares in issue;
- (b) the Offeror did not hold any Shares and the Offeror Concert Parties held 294,800,000 Shares (representing 58.96% of the issued Shares), which represented the 294,800,000 Shares held by the Founder Holdco. Save as disclosed above, none of the Offeror and the Offeror Concert Parties owned or had 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 owned, controlled or had direction over 500,000,000 Shares in aggregate, representing all of the issued Shares; and
- (d) the Company did 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 Latest Practicable Date and immediately following implementation of the Proposal, assuming that there will be no other change in the shareholding of the Company before the Effective Date:

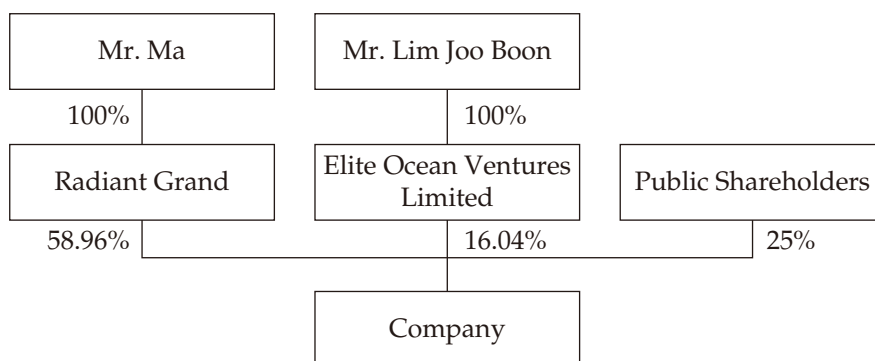
Shareholders	As at the Latest Practicable Date		Immediately following implementation of the Proposal	
	Number of Shares	Total number of Shares in issue (%)	Number of Shares	Total number of Shares in issue (%)
<b>Offeror<sup>(1)</sup></b>	–	–	500,000,000	100.00
<b>Scheme Shareholders</b>				
Founder Holdco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

*Notes:*

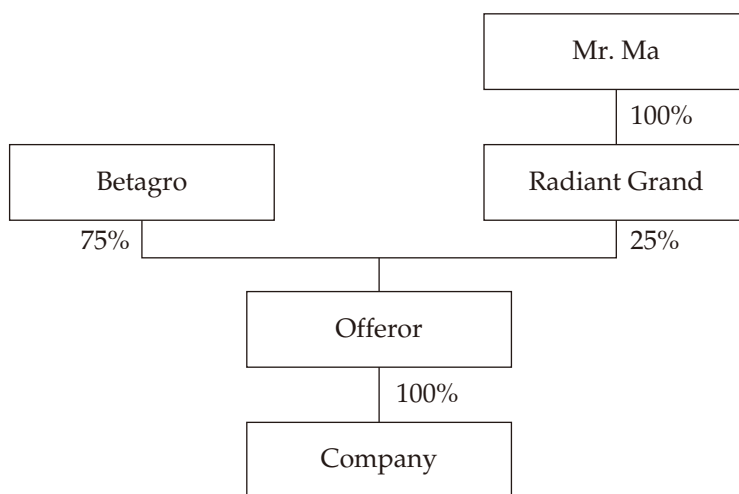
- As at the Latest Practicable Date, the Offeror was directly held as to 75% by Betagro and 25% by the Founder Holdco (an investment holding company wholly-owned by Mr. Ma). Pursuant to the terms of the Proposal and the Shareholders' Deed, the Offeror shall be held as to 75% by Betagro and 25% by the Founder Holdco upon the Scheme becoming effective.
- As at the Latest Practicable Date, the Founder Holdco was 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 Latest Practicable Date, Elite Ocean Ventures Limited was wholly-owned by Mr. Lim Joo Boon, a third party independent of Betagro, the Offeror, the Founder Holdco, Mr. Ma, Ms. Lim Siok Eng (an executive Director) and other Directors.
- 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 held or was interested in any Shares as at the Latest Practicable Date. Ms. Lim Siok Eng does not have any relationship with Mr. Lim Joo Boon.

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 Latest Practicable Date:



Set out below is a simplified shareholding structure of the Company immediately following implementation of the Proposal:



## 7. INFORMATION ON THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability whose Shares have been listed on GEM 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
	S\$'000	S\$'000	S\$'000
	(Note)	(Note)	(Note)
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).

Your attention is also drawn to Appendix I — “Financial Information of the Group” and Appendix II — “General Information” to this Scheme Document.

## 8. 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 did not hold any assets or businesses as at the Latest Practicable Date.

As at the Latest Practicable Date, the Offeror was 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 were listed on The Stock Exchange of Thailand (Stock Code: BTG) as at the Latest Practicable Date. As at the Latest Practicable Date, Betagro had over 18,000 shareholders. Its major shareholders were 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 Latest Practicable Date. 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 held 294,800,000 Shares (representing 58.96% of the issued Shares) as at the Latest Practicable Date.

**9. 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 Latest Practicable Date, it was the intention of the Offeror for the Group to continue to carry on its existing business and the Offeror did 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).

**10. 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 Scheme) and the Offeror Cooperation Arrangement 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 Scheme) and the Offeror Cooperation Arrangement at the EGM.

**11. 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 Independent Financial Adviser has advised the Independent Board Committee that it considers that the Proposal (including the Scheme) and the Offeror Cooperation Arrangement are fair and reasonable so far as the Disinterested Shareholders are concerned, and accordingly, it advises the Independent Board Committee to recommend the Disinterested Shareholders to vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal (including the Scheme) and the Offeror Cooperation Arrangement at the EGM.

The full text of the letter from the Independent Financial Adviser is set out in Part VI of this Scheme Document.

The Independent Board Committee, having been so advised, considers that the Proposal (including the Scheme) and the Offeror Cooperation Arrangement are fair and reasonable so far as the Disinterested Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Disinterested Shareholders to vote in

favour of the relevant resolution(s) to be proposed at the Court Meeting and the EGM to approve and implement the Proposal (including the Scheme) and the Offeror Cooperation Arrangement.

The full text of the letter from the Independent Board Committee in relation to its recommendations with respect to the Proposal and the Scheme is set out in Part V of this Scheme Document.

## **12. 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 Latest Practicable Date 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 Latest Practicable Date.



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 of up 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”. 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 and a significant premium of approximately 30.5% over the adjusted unaudited net asset value attributable to Shareholders per Share of approximately HK\$0.845 as at 31 March 2024 (as adjusted by the revaluation surplus arising from the valuation of the property interests held by the Group as at 31 August 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 of up 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”. 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 and a significant premium of approximately 40.2% over the adjusted unaudited net asset value attributable to Shareholders per Share of approximately HK\$0.845 as at 31 March 2024 (as adjusted by the revaluation surplus arising from the valuation of the property interests held by the Group as at 31 August 2024).

### **13. ACTIONS TO BE TAKEN**

The summary of actions to be taken by the Shareholders can be found in Part II — “Actions to be Taken” in this Scheme Document.

### **14. COURT MEETING AND EGM**

In accordance with the directions of the Grand Court, the Court Meeting will be held for the purpose of considering and, if thought fit, approving the Scheme (with or without modifications).

Only Scheme Shareholders as at the Meeting Record Date may attend and vote at the Court Meeting to approve the Scheme. The Offeror has provided an undertaking 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 has (a) approved the Scheme in writing and (b) provided 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 associated with the cancellation of 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 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.

Notice of the Court Meeting is set out in Appendix V to this Scheme Document. The Court Meeting will be held at 10:30 a.m. on Thursday, 12 December 2024 at Suite 3701-10, Jardine House, 1 Connaught Place, Central, Hong Kong.

Notice of the EGM is set out in Appendix VI to this Scheme Document. The EGM will be held at 11:00 a.m. (or, if later, immediately after the conclusion or adjournment of the Court Meeting) on Thursday, 12 December 2024 at Suite 3701-10, Jardine House, 1 Connaught Place, Central, Hong Kong.

The Court Hearing to sanction the petition is listed to be heard on Monday, 16 December 2024 at 10:30 a.m. (Cayman Islands time). Any Scheme Shareholder who voted at the Court Meeting and any Beneficial Owner who gave voting instructions to a custodian or a clearing house who subsequently voted at the Court Meeting shall have the right to attend, or appear by counsel, and be heard at the Court Hearing, at which the Company will seek, among other thing, the sanction of the Scheme.

#### **Closure of the register of members of the Company**

For the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 6 December 2024 to Thursday, 12 December 2024 (both days inclusive) and during such period, no transfer of Shares will be registered. In order to qualify to attend and vote at the Court Meeting and the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. on Thursday, 5 December 2024. A subsequent purchaser of Shares will need to obtain a proxy form from the transferor if he/she/it wishes to attend or vote at the Court Meeting or the EGM.

#### **Binding effect of the Scheme**

When all of the Conditions set out in the section headed "3. Conditions of the Proposal and the Scheme" in Part VII — "Explanatory Memorandum" of this Scheme Document are fulfilled or waived (as applicable), the Scheme will become effective and binding on the Offeror, the Company and all Scheme Shareholders.

**15. WITHDRAWAL OF LISTING OF THE SHARES ON GEM**

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 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 and the day on which the Scheme and the withdrawal of the listing of the Shares on GEM will become effective.

**16. 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 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.

**17. REGISTRATION AND PAYMENT****Latest time for lodging transfers of Shares**

In order to qualify for entitlements under the Scheme, all transfers of shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Company's Hong Kong share registrar, Tricor Investor Services Limited, for registration before 4:30 p.m. on Wednesday, 18 December 2024.

**Payment of the consideration to the Scheme Shareholders**

Subject to the Scheme becoming effective, (a) the Cancellation Price will be paid to all Scheme Shareholders (save for the Cancellation Price for the Founder Rollover Scheme Shares which shall be satisfied by the Offeror allotting and issuing Offeror Shares to the Founder Holdco credited as fully paid) and (b) the Additional Price will also be paid to the Other 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. On the basis that the Scheme becomes effective on Thursday, 2 January 2025 (Cayman Islands time), the cheques for the payment of the Cancellation Price and the Additional Price are expected to be despatched on or before Monday, 13 January 2025.

Cheques for the payment of the Cancellation Price and the Additional Price will be sent by ordinary post in postage pre-paid envelopes addressed to the persons entitled thereto at their respective registered addresses on the register of members of the Company or, in the case of joint holders, to the registered address of that joint holder whose name first appears on the register of members of the Company in respect of the joint holding. All such cheques will be sent at the risk of the addressee and none of the Offeror, the Company, Lego Corporate Finance, the Independent Financial Adviser and the Company's Hong Kong share registrar or any of their respective directors, officers, employees, agents, affiliates, advisers or any other persons involved in the Proposal shall be liable for any loss or delay in despatch.

On or after the day being six calendar months after the posting of such cheques, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been cashed or has been returned uncashed, and shall place all monies represented thereby in a deposit account in the name of the Offeror with a licensed bank in Hong Kong selected by the Offeror.

The Offeror shall hold all monies in respect of uncashed cheques on trust until the expiry of six years from the Effective Date and shall, prior to such date, make payments therefrom of the sums payable pursuant to the Scheme, without interest earned thereon, to persons who satisfy the Offeror that they are respectively entitled thereto, provided that the cheques referred to in the foregoing sentence of which they are payees have not been cashed. Any payments made by the Offeror shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to the Scheme, and are subject to, if applicable, the deduction of interest, tax or any withholding tax or any other deduction required by law. The Offeror shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled and a certificate of the Offeror to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.

On the expiry of six years from the Effective Date, the Offeror shall be released from any further obligation to make any payments under the Scheme and the Offeror shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit account, including accrued interest subject to any deduction required by law and any expenses incurred.

Settlement of the Cancellation Price and the Additional Price to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against any such Scheme Shareholder.

Upon the Scheme becoming effective, the register of members of the Company will be updated accordingly to reflect the cancellation of all of the Scheme Shares and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title as from the Effective Date, which is expected to be on Thursday, 2 January 2025 (Cayman Islands time).

**18. OVERSEAS SCHEME SHAREHOLDERS**

This Scheme Document has been prepared for the purposes of complying with the laws of Hong Kong and the Cayman Islands, the Takeovers Code and the GEM Listing Rules, and the information disclosed may not be the same as that which would have been disclosed if this Scheme Document had been prepared in accordance with the laws of any other jurisdictions.

This Scheme Document is not intended to, and does not, constitute, or form part of, an offer to buy or 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, the Scheme or otherwise.

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. The Offeror and the Company do not represent that this Scheme Document may be lawfully distributed in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available hereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Offeror and the Company which is intended to permit a public offering or the distribution of this Scheme Document in any jurisdiction (other than in Hong Kong) where action for that purpose is required. Accordingly, Scheme Shareholders are prohibited from (i) copying, distributing or publishing all or part of this Scheme Document or any advertisement or other offering material in any jurisdiction (other than Hong Kong) or (ii) using information contained therein for any purpose other than assessment of the Proposal and/or the Scheme, unless the information is already publicly available in another form.

It is the responsibility of the overseas Scheme Shareholders who wish to take any action in relation to the Proposal and/or the Scheme to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions 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 actions taken by such overseas Scheme Shareholders in respect of the Proposal 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.

As at the Latest Practicable Date, there were 53 Scheme Shareholders (who collectively held approximately 0.666% of the total number of issued Shares) whose addresses as shown in the records of the Company were in the People's Republic of China

Having made all reasonable enquiries, the directors of the Offeror and the Directors are comfortable that there is no restriction under the respective laws or regulations of those jurisdictions against extending the Scheme automatically or despatching this Scheme Document to such overseas Scheme Shareholders. Accordingly, the Scheme will be extended and this Scheme Document will be despatched to such overseas Scheme Shareholders.

#### **19. TAXATION ADVICE**

As the Scheme does not involve the sale and purchase of Hong Kong stock, no Hong Kong stamp duty will be payable pursuant to the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) on the cancellation of the Scheme Shares upon the Scheme becoming effective.

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, the Independent Financial Adviser and their respective ultimate beneficial owners, directors, officers, employees, agents, affiliates, advisers 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.

#### **20. COSTS OF THE SCHEME**

If the Proposal (including the Scheme and/or the Offeror Cooperation Arrangement) are/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. Given that the Proposal is recommended by the Independent Board Committee and is recommended as fair and reasonable by the Independent Financial Adviser, Rule 2.3 of the Takeovers Code is not applicable.

**21. REQUIREMENTS UNDER COMPANIES ACT AND THE TAKEOVERS CODE****The Companies Act**

Pursuant to section 86(1) of the Companies Act, where a compromise or arrangement is proposed between a company and its members or any class of them, the Grand Court may, on the application of the company or of any member of the company, order a meeting of the members of the company or class of members, as the case may be, to be summoned in such manner as the Grand Court directs.

Section 86(2A) of the Companies Act provides that if not less than 75% in value of the members or class of members, as the case may be, present and voting either in person or by proxy at the meeting, agree to any compromise or arrangement, the compromise or arrangement shall, if sanctioned by the Grand Court, be binding on all the members or class of members, as the case may be, and also on the company.

**Additional requirements as imposed by Rule 2.10 of the Takeovers Code**

In addition to satisfying any requirements imposed by law as summarised above, Rule 2.10 of the Takeovers Code requires, except with the consent of the Executive, that the Scheme may only be implemented if:

- (a) the Scheme is approved by at least 75% of the votes attaching to the disinterested Shares that are cast either in person or by proxy at a duly convened meeting of Shareholders; and
- (b) the number of votes cast against the resolution to approve the Scheme at such meeting is not more than 10% of the votes attaching to all disinterested Shares.

**22. RECOMMENDATION**

Your attention is drawn to the recommendations of the Independent Board Committee in respect of the Proposal (including the Scheme) and the Offeror Corporation Arrangement as set out in the letter from the Independent Board Committee in Part V of this Scheme Document.

Your attention is also drawn to the recommendations of the Independent Financial Adviser in respect of the Proposal (including the Scheme) and the Offeror Corporation Arrangement as set out in Part VI of this Scheme Document. We would advise you to read this letter carefully before you take any action in respect of the Proposal and the Scheme.

**23. ADDITIONAL INFORMATION**

Additional information in relation to the Proposal is set out in the appendices to, and elsewhere in, this Scheme Document, all of which form part of this Explanatory Memorandum.

Shareholders and Scheme Shareholders should rely only on the information contained in this Scheme Document. None of the Company, the Offeror, Lego Corporate

Finance, the Independent Financial Adviser and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal have authorised anyone to provide you with information that is different from what is contained in this Scheme Document.

#### **24. LANGUAGE**

In case of inconsistency, the English language text of this Scheme Document and the accompanying forms of proxy shall prevail over the Chinese language text.



## 1. FINANCIAL SUMMARY

The following is a summary of the audited consolidated financial results of the Group for each of the three years ended 31 March 2022, 2023 and 2024. The figures for each of the three years ended 31 March 2022, 2023 and 2024 are extracted from the annual reports of the Company.

The auditor's reports from the Company's auditors, Forvis Mazars LLP (formerly known as Mazars LLP), in respect of the Group for each of the financial years ended 31 March 2022, 2023 and 2024 did not contain any modified opinion, emphasis of matter or material uncertainty related to going concern.

Save as disclosed below, there were no items of any income or expense which were material in respect of the consolidated financial results of the Group for each of the three years ended 31 March 2022, 2023 and 2024.

### Summary of Consolidated Statement of Comprehensive Income

	For the year ended 31 March		
	2022	2023	2024
	S\$'000	S\$'000	S\$'000
Revenue	67,058	95,766	108,417
Cost of sales	<u>(64,894)</u>	<u>(92,355)</u>	<u>(106,136)</u>
<b>Gross profit</b>	2,164	3,411	2,281
Other income			
– Interest	39	49	3
– Others	693	998	503
– Insurance claim	877	–	–
Other losses – net			
– Impairment loss/reversal of impairment loss on financial assets	7	(116)	(113)
– Others	(2)	(42)	(79)
Write-off of biological assets	(864)	–	–
Gain arising from initial recognition of agricultural produce at fair value less estimated costs to sell at point of harvest	10,931	16,880	27,053
Gain arising from changes in fair value of biological assets less estimated costs to sell	1,746	3,593	8,842
Selling and distribution expenses	(6,264)	(6,980)	(6,913)
Administrative expenses	(5,066)	(6,813)	(7,122)
Finance costs	<u>(475)</u>	<u>(607)</u>	<u>(1,238)</u>

	For the year ended 31 March		
	2022	2023	2024
	S\$'000	S\$'000	S\$'000
<b>Profit before income tax</b>	3,786	10,373	23,217
Income tax expense	(253)	(1,698)	(3,993)
<b>Profit after tax and total comprehensive income for the year</b>	<u>3,533</u>	<u>8,675</u>	<u>19,224</u>
Profit after tax and total comprehensive income attributable to:			
Owners of the Company	3,533	8,640	19,315
Non-controlling interests	–	35	(91)
	<u>3,533</u>	<u>8,675</u>	<u>19,224</u>
Earnings per share for profit attributable to equity holders of the Company for the year: Basic and diluted (S\$ – in cents)	0.71	1.73	3.86
Total dividends distributed to ordinary shareholders of the Company	–	–	–
Total dividends per share	–	–	–

## 2. CONSOLIDATED FINANCIAL STATEMENTS

The Company is required to set out or refer to in this Scheme Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement shown in the audited consolidated financial statements of the Group for the year ended 31 March 2024, together with the significant accounting policies and any points from the notes to the relevant published financial statements which are of major relevance to the appreciation of the above financial information.

The audited consolidated financial statements of the Group for the year ended 31 March 2024 are set out on pages 47 to 52 of the annual report of the Company for the year ended 31 March 2024, which was published on 10 July 2024 and which is posted on the website of the Company at [www.eggriculturefoods.com](http://www.eggriculturefoods.com) and the Hong Kong Stock Exchange at [www.hkexnews.hk/index.htm](http://www.hkexnews.hk/index.htm), or at this direct link: [www1.hkexnews.hk/listedco/listconews/gem/2024/0710/2024071000121.pdf](http://www1.hkexnews.hk/listedco/listconews/gem/2024/0710/2024071000121.pdf).

The audited consolidated financial statements of the Group for the year ended 31 March 2023 are set out on pages 45 to 50 of the annual report of the Company for the year ended 31 March 2023, which was published on 30 June 2023 and which is posted on the website of the Company at [www.eggriculturefoods.com](http://www.eggriculturefoods.com) and the Hong Kong Stock Exchange at [www.hkexnews.hk/index.htm](http://www.hkexnews.hk/index.htm), or at this direct link: [www1.hkexnews.hk/listedco/listconews/gem/2023/0630/2023063001389.pdf](http://www1.hkexnews.hk/listedco/listconews/gem/2023/0630/2023063001389.pdf).

The audited consolidated financial statements of the Group for the year ended 31 March 2022 are set out on pages 41 to 46 of the annual report of the Company for the year ended 31 March 2022, which was published on 29 June 2022 and which is posted on the website of the Company at [www.eggriculturefoods.com](http://www.eggriculturefoods.com) and the Hong Kong Stock Exchange at [www.hkexnews.hk/index.htm](http://www.hkexnews.hk/index.htm), or at this direct link: [www1.hkexnews.hk/listedco/listconews/gem/2022/0629/2022062901811.pdf](http://www1.hkexnews.hk/listedco/listconews/gem/2022/0629/2022062901811.pdf).

The audited consolidated financial statements of the Group for each of the three financial years ended 31 March 2022, 2023 and 2024 are incorporated by reference into this Scheme Document and form part of this Scheme Document.

### 3. STATEMENT OF INDEBTEDNESS

As at 31 August 2024, being the latest practicable date for the purpose of this statement of the indebtedness prior to the printing of this Scheme Document:

#### (a) Bank borrowings

Total borrowings of the Group which included lease liabilities and bank borrowings amounted to approximately S\$21.2 million. Below is a breakdown of the total borrowings:

	S\$'000
<b>Non-current</b>	
Lease liabilities	179
Bank borrowings	14,318
	<u>14,497</u>
<b>Current</b>	
Lease liabilities	129
Bank borrowings	6,593
	<u>6,722</u>
<b>Total borrowings</b>	<u><u>21,219</u></u>
<b>Maturity of Bank Borrowings</b>	
Within 1 year	6,593
Between 1 and 2 years	4,826
Between 2 and 5 years	7,066
More than 5 years	2,426
	<u>20,911</u>

The Group had undrawn borrowing facilities of approximately S\$30.2 million which included unutilised loan facilities, trade facilities and non-revolving hire purchase facilities.

The range of interest rates of the Group's term loans is 2.00% to 6.39%.

**(b) Pledge of assets**

Bank borrowings amounting to approximately S\$11,390,000 are secured by the second phase of layers houses, machineries and processing plant under construction with a carrying amount of approximately S\$14,713,000.

Bank borrowings amounting to approximately S\$462,000 are secured by assignment over the investments in insurance contracts with a carrying amount of approximately S\$1,957,000.

Lease of the Group amounting to approximately S\$308,000 are effectively secured over the leased machinery and motor vehicles with a carrying amount of approximately S\$497,000.

**(c) Contingent liabilities**

The Group did not have any significant contingent liabilities.

**4. NO MATERIAL CHANGE**

The Directors confirm that, there had been no material change in the financial or trading position or outlook of the Group since 31 March 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up and up to the Latest Practicable Date.

**5. PROPERTY INTERESTS AND ADJUSTED NET ASSET VALUE**

The valuation of the property interests of the Group as at 31 August 2024 has been conducted by BonVision, an independent property valuer to the Company. The market value of the property interests of the Group as at 31 August 2024 was S\$35,700,000 (equivalent to approximately HK\$213,200,000). Further details of the aforementioned property interests and the corresponding property valuation report prepared by BonVision are set out in Appendix III to this Scheme Document.

By taking into account the effect of revaluation surplus arising from the valuation of the aforementioned property interests, set out below is the calculation of the adjusted unaudited net asset value (the “**Adjusted NAV**”) of the Group:

	S\$'000
Audited net asset value of the Group attributable to owners of the Company as at 31 March 2024 ( <i>Note 1</i> )	65,731
<i>Adjusted for:</i>	
<i>Add: Revaluation surplus arising from valuation of the property interests of the Group as at 31 August 2024 (Note 2)</i>	4,804
<b>Adjusted NAV</b>	70,535
<b>Adjusted NAV per Share: (Note 3)</b>	
<b>in S\$</b>	S\$0.141
<b>in HK\$</b>	HK\$0.845

*Notes:*

1. It is extracted from the annual report of the Company for the year ended 31 March 2024.
2. It represents the revaluation surplus calculated by comparing the market value of the property interests of the Group as at 31 August 2024 as set out in Appendix III to this Scheme Document (i.e., S\$35.7 million), with their corresponding book values as at 31 March 2024 of approximately S\$30.9 million (representing the net book value of leasehold buildings and improvements and the leasehold land as at 31 March 2024 as disclosed in the annual report of the Company for the year ended 31 March 2024).
3. It is calculated based on 500,000,000 Shares in issue as at the Latest Practicable Date.

## 1. RESPONSIBILITY STATEMENT

As at the Latest Practicable Date, the directors of the Offeror were Mr. Vasit Taepaisitphongse, Mr. Chayadhorn Taepaisitphongse, Mr. Worrawut Vanitkulbodee and Mr. Ma Chin Chew, who jointly and severally accept full responsibility for the accuracy of the information contained in this Scheme Document (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 Scheme Document (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 Scheme Document, the omission of which would make any statement in this Scheme Document misleading.

As at the Latest Practicable Date, the directors of Betagro are Mr. Rapee Sucharitakul, Mr. Vasiit Taepaisitphongse, 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, who jointly and severally accept full responsibility for the accuracy of the information contained in this Scheme Document (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 Scheme Document (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 Scheme Document, the omission of which would make any statement in this Scheme Document misleading.

As at the Latest Practicable Date, the sole director of the Founder Holdco is Mr. Ma Chin Chew, who accepts full responsibility for the accuracy of the information contained in this Scheme Document (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 Scheme Document (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 Scheme Document, the omission of which would make any statement in this Scheme Document misleading.

As at the Latest Practicable Date, the Board comprised three executive Directors, namely Mr. Ma Chin Chew (Chairman and Chief Executive Officer), Ms. Lim Siok Eng and Mr. Tang Hong Lai; and three independent non-executive Directors, namely 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 Scheme Document (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 Scheme Document (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 Scheme Document, the omission of which would make any statement in this Scheme Document misleading.

## 2. SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date:

- (a) the authorised share capital of the Company was HK\$100,000,000 divided into 10,000,000,000 Shares;
- (b) the issued share capital of the Company was 500,000,000 Shares;
- (c) all Shares in issue were fully paid or credited as fully paid and rank *pari passu* in all respects with each other, including, as to rights to capital, dividends and voting;
- (d) no Shares had been issued by the Company since 31 March 2024, being the end of the last financial year of the Company up to and including the Latest Practicable Date; and
- (e) save for the 500,000,000 Shares in issue, the Company did not have any outstanding shares, options, warrants, convertible securities or other relevant securities in issue.

## 3. MARKET PRICES

The table below shows the closing prices of the Shares as quoted on the Hong Kong Stock Exchange (i) at the end of each of the calendar months during the Relevant Period; (ii) on the Last Trading Date; and (iii) on the Latest Practicable Date.

Date	Closing price per Share HK\$
29 February 2024	0.265
28 March 2024	0.295
30 April 2024	0.305
31 May 2024	0.365
28 June 2024	0.370
31 July 2024	0.490
15 August 2024 (being the Last Trading Date)	0.490
30 August 2024	1.030
30 September 2024	1.070
22 October 2024 (being the Latest Practicable Date)	1.120

During the Relevant Period, the highest closing price of the Shares as quoted on the Hong Kong Stock Exchange was HK\$1.120 on 22 October 2024, and the lowest closing price of the Shares as quoted on the Hong Kong Stock Exchange was HK\$ 0.265 during the period from 29 February 2024 to 25 March 2024.



#### 4. DISCLOSURE OF INTERESTS

##### 4.1 Directors' and chief executive's interests in the Shares

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or shares and debentures of any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director or chief executive is taken or deemed to have under such provisions of the SFO); or recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, or required to be disclosed under the Takeovers Code were as follows:

##### *Interests in the Shares*

Name of Director or chief executive	Capacity/Nature of interest	Number of Shares held <sup>(1)</sup>	Approximate percentage of the total issued share capital of the Company
Mr. Ma Chin Chew <sup>(2)</sup>	Interest of controlled corporation	294,800,000 (L)	58.96%
Ms. Lim Siok Eng <sup>(2)</sup>	Interest of spouse	294,800,000 (L)	58.96%

##### *Notes:*

- (1) The letter "L" denotes a person's long position (as defined under Part XV of the SFO) in the Shares.
- (2) Radiant Grand is held as to 100% by Mr. Ma. Therefore, Mr. Ma is deemed to be interested in the Shares held by Radiant Grand by virtue of the SFO. Ms. Lim Siok Eng is the spouse of Mr. Ma. Under the SFO, Ms. Lim Siok Eng is deemed to be interested in the Shares that Mr. Ma is deemed to be interested in by virtue of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had or was deemed to have any interests and short positions in the Shares, underlying Shares and debentures of the Company or shares and debentures of any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed to have under such provisions of the SFO); or recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, or required to be disclosed under the Takeovers Code.

#### 4.2 Interests of Substantial Shareholders in the Shares

As at the Latest Practicable Date, the Company had been notified of the following substantial shareholders' interests and short positions in the Shares and underlying Shares of the Company, which have been recorded in the register of substantial shareholders required to be kept by the Company pursuant to section 336 of Part XV of the SFO. These interests are in addition to those disclosed above in respect of the Directors and the chief executive of the Company.

Name of Shareholder	Capacity/Nature of interest	Number of Shares held <sup>(1)</sup>	Approximate percentage of the total issued share capital of the Company
Radiant Grand International Limited <sup>(2)</sup>	Beneficial owner	294,800,000 (L)	58.96%
Elite Ocean Ventures Limited <sup>(3)</sup>	Beneficial owner	80,200,000 (L)	16.04%
Mr. Lim Joo Boon <sup>(3)</sup>	Interest of controlled corporation	80,200,000 (L)	16.04%
Ms. Tan Bee Hong <sup>(4)</sup>	Interest of spouse	80,200,000 (L)	16.04%

*Notes:*

- (1) The letter "L" denotes a person's long position (as defined under Part XV of the SFO) in the Shares.
- (2) Radiant Grand is held as to 100% by Mr. Ma. Therefore, Mr. Ma is deemed to be interested in the Shares held by Radiant Grand by virtue of the SFO.
- (3) Elite Ocean Ventures Limited is held as to 100% by Mr. Lim Joo Boon. Therefore, Mr. Lim is deemed to be interested in the Shares held by Elite Ocean Ventures Limited by virtue of the SFO.
- (4) Ms. Tan Bee Hong is the spouse of Mr. Lim Joo Boon. Under the SFO, Ms. Tan Bee Hong is deemed to be interested in the Shares that Mr. Lim Joo Boon is deemed to be interested in by virtue of the SFO.

Save as disclosed above, as at the Latest Practicable Date, according to the register kept by the Company under Section 336 of the SFO, there was no other person who had a substantial interest or short positions in the Shares or underlying Shares of the Company as at the Latest Practicable Date.

#### 4.3 Interests of the Offeror and Offeror Concert Parties in the Shares

As at the Latest Practicable Date, the Offeror did not hold any Shares and the Offeror Concert Parties held 294,800,000 Shares (representing 58.96% of the issued Shares), which represents the 294,800,000 Shares held by the Founder Holdco. Save as disclosed above, as at the Latest Practicable Date, none of the Offeror and the

Offeror Concert Parties was interested within the meaning of Part XV of the SFO in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

#### 4.4 Dealings in the securities of the Company

- (a) During the Relevant Period:
  - (i) none of the Offeror, its directors or the Offeror Concert Parties had dealt for value in any Shares, convertible securities, warrants, options and derivatives in respect of the Shares; and
  - (ii) other than Mr. Tang Hong Lai, an executive Director of the Company, who sold 50,000 Shares at HK\$0.38 per Share on 26 June 2024 and 150,000 Shares at HK\$0.397 per Share on 2 July 2024, none of the Directors had any dealings in any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into Shares.
- (b) During the Offer Period and up to the Latest Practicable Date:
  - (i) no subsidiaries of the Company, pension funds (if any) of any member of the Group, any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” or any associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code (excluding any exempt principal trader or exempt fund manager) owned or controlled, or had any dealings in any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into Shares;
  - (ii) save for the Offeror Cooperation Arrangement, no arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code existed between the Company, or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) or (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code, and any other person;
  - (iii) no person who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with (A) the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” or with any person who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code, or (B) the Offeror or the Offeror Concert Parties, owned or controlled, or had any dealings

in, any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into Shares; and

- (iv) no fund managers connected with the Company who managed funds on a discretionary basis (other than exempt fund managers) had any dealings in any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into Shares.

#### **4.5 Interests and dealings in the securities of the Offeror**

- (a) As at the Latest Practicable Date, 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). Ms. Lim Siok Eng is the spouse of Mr. Ma. Save as disclosed above, as at the Latest Practicable Date, none of the Company or any of the Directors had any interest in the shares, warrants, options, derivatives and securities carrying conversion or subscription rights into shares of the Offeror; and
- (b) During the Relevant Period, none of the Company or any of the Directors had any dealings in the shares, warrants, options, derivatives and securities carrying conversion or subscription rights into shares of the Offeror.

#### **4.6 Other interests**

As at the Latest Practicable Date:

- (a) no Shares or any convertible securities, warrants, options or derivatives issued by the Company were owned or controlled by a subsidiary of the Company, a pension fund (if any) of any member of the Group, a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of "acting in concert", or an associate of the Company by virtue of class (2) of the definition of "associate" under the Takeovers Code (other than exempt principal traders and exempt fund managers);
- (b) no Shares, convertible securities, warrants, options or derivatives of the Company were managed on a discretionary basis by any fund managers connected with the Company (other than exempt fund managers); and
- (c) none of the Company, the Directors, the Offeror or any of the Offeror Concert Parties had borrowed or lent any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.

**5. ARRANGEMENTS IN CONNECTION WITH THE PROPOSAL**

As at the Latest Practicable Date:

- (a) save for the Offeror Cooperation Arrangement, there were 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;
- (b) save for the Offeror Cooperation Arrangement, no arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code existed between the Offeror, or the Offeror Concert Parties and any other person;
- (c) save for the Offeror Cooperation Arrangement, there was no agreement, arrangement or understanding between the Offeror and any other person in relation to the transfer, charge or pledge of the Shares to be acquired pursuant to the Proposal, and the Offeror had no intention to transfer, charge or pledge any Shares acquired pursuant to the Proposal to any other person;
- (d) save for the Offeror Cooperation Arrangement, there was no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror or the Offeror Concert Parties on the one hand, and any Directors, recent Directors, Shareholders or recent Shareholders on the other hand, having any connection with or that was dependent upon the Proposal;
- (e) save for the Offeror Cooperation Arrangement, there was no agreement or arrangement to which the Offeror or any Offeror Concert Party 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;
- (f) 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” in Part VII — “Explanatory Memorandum” in this Scheme Document, no irrevocable commitment to vote for or against the Scheme had been received by the Directors, the Offeror or the Offeror Concert Parties;
- (g) the Offeror has provided an undertaking 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;
- (h) the Founder Holdco has (a) approved the Scheme in writing and (b) provided 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;

- (i) pursuant to the Deed of Indemnity and the Shareholders' Deed, 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;
- (j) save for the Offeror Cooperation Arrangement, there was 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
- (k) save for the Cancellation Price and the Additional Price, there was 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.

## 6. MATERIAL LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance was pending or threatened by or against any member of the Group.

## 7. MATERIAL CONTRACTS

Save for the Implementation Agreement, none of the members of the Group had entered into any material contracts, not being contracts entered into in the ordinary course of business carried on or intended to be carried on by any member of the Group, within the two years immediately preceding the date of the Announcement and up to and including the Latest Practicable Date.

## 8. ARRANGEMENTS IN CONNECTION WITH THE DIRECTORS

As at the Latest Practicable Date:

- (a) save for the Offeror Cooperation Arrangement and the Cancellation Price, no arrangement was in place for any benefit that would be given to any Director as compensation for loss of office or otherwise in connection with the Proposal;
- (b) save for the Offeror Cooperation Arrangement, there was no agreement, arrangement or understanding (including any compensation arrangement) between any Director and any other person which are conditional on or dependent upon the outcome of the Proposal or otherwise connected with the Proposal; and
- (c) save for the Implementation Agreement and the Offeror Cooperation Arrangement, there were no material contracts entered into by the Offeror in which any Director has a material personal interest.

## 9. DIRECTORS' SERVICE CONTRACTS

Save as disclosed below, as at the Latest Practicable Date, none of the Directors had entered into any service contract with the Company or any of its subsidiaries or associated companies which (i) (including both continuous and fixed term contracts) had been entered into or amended within six months before the commencement of the Offer Period; (ii) are continuous contracts with a notice period of 12 months or more; or (iii) are fixed term contracts with more than 12 months to run irrespective of the notice period.

Name of Director	Expiry date	Fixed remuneration payable under the contract	Variable remuneration payable under the contract
Mr. Ma Chin Chew	6 September 2026; automatically renewable for successive terms of one year unless terminated	Annual remuneration of S\$840,000 and travel allowance of S\$120,000 per annum	Discretionary bonus as decided by the Board
Ms. Lim Siok Eng	6 September 2026; automatically renewable for successive terms of one year unless terminated	Annual remuneration of S\$120,000 and travel allowance of S\$6,000 per annum	Discretionary bonus as decided by the Board
Mr. Tang Hong Lai	6 September 2026; automatically renewable for successive terms of one year unless terminated	Annual remuneration of S\$108,000 and travel allowance of S\$12,000 per annum	Discretionary bonus as decided by the Board
Mr. Sneddon Donald William	6 September 2026	Annual remuneration of HK\$170,000	–
Mr. Yuen Ka Lok Ernest	6 September 2026	Annual remuneration of HK\$170,000	–
Mr. Lew Chern Yong	2 January 2025	Annual remuneration of HK\$170,000	–

**10. CONSENTS AND QUALIFICATIONS OF EXPERTS**

The following are the qualifications of each of the experts who have been named in this Scheme Document or have given their opinion or advice which are contained in this Scheme Document:

<b>Name</b>	<b>Qualification</b>
Lego Corporate Finance	a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
Opus Capital	a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
BonVision	BonVision International Appraisals Limited, being the independent property valuer to the Company, which carried out a valuation of the Group's property interests in accordance with the HKIS Valuation Standards 2020 published by the Hong Kong Institute of Surveyors, the RICS Valuation — Global Standards published by the Royal Institution of Chartered Surveyors, the International Valuation Standards published by the International Valuation Standards Council, Chapter 8 of the GEM Listing Rules and Rule 11 of the Takeovers Code

Each of the experts named above has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion in this Scheme Document of the text of its letter, report or opinion (as the case may be) and references to its name in the form and context in which they are included.

**11. MISCELLANEOUS**

- (a) 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.
- (b) The registered office of the Offeror is at 1 Lim Chu Kang Lane 9A, Singapore 718845.
- (c) The principal members of the Offeror Concert Parties are the Founder Holdco, Mr. Ma and Betagro.
- (d) The Founder Holdco is 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 Latest Practicable Date, the Founder Holdco held 294,800,000 Shares (representing approximately 58.96% of the issued Shares) and is a controlling shareholder of the Company. The registered office of the Founder Holdco is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. As at the Latest Practicable Date, the sole director of the Founder Holdco was Mr. Ma.

- (e) Mr. Ma is an executive Director, the chairman of the Board and the chief executive officer of the Company, and was a controlling shareholder of the Company as at the Latest Practicable Date. The address of Mr. Ma is 1 Lim Chu Kang Lane 9A, Singapore 718845.
- (f) 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 registered office of Betagro is at Betagro Tower (North Park), 323 Vibhavadi Rangsit Rd., Thung Song Hong Sub-district, Lak Si District, Bangkok 10210, Thailand. The shares of Betagro were listed on The Stock Exchange of Thailand (Stock Code: BTG) as at the Latest Practicable Date. As at the Latest Practicable Date, Betagro had 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 Latest Practicable Date. BETAGRO HOLDING CO., LTD. is majority-controlled by the Taephaisitphongse family and TAE HK Investment Limited is wholly-owned by the Taephaisitphongse family.
- (g) Lego Corporate Finance is the financial adviser to the Offeror in relation to the Proposal, and its registered address is at Room 1505, 15/F, Wheelock House, 20 Pedder Street, Central, Hong Kong.
- (h) The registered office of the Company is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (i) The head office and principal place of business in Singapore of the Company is 1 Lim Chu Kang Lane 9A, Singapore 718845.
- (j) The principal place of business in Hong Kong of the Company is Unit 1104, 11/F., Keybond Commercial Building, 38 Ferry Street, Jordan, Kowloon, Hong Kong.
- (k) The registered office of the Independent Financial Adviser, Opus Capital Limited, is at 18/F, EC Healthcare Tower (Central), 19-20 Connaught Road Central, Central, Hong Kong.

**12. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection on the website of the Company at [www.eggagriculturefoods.com](http://www.eggagriculturefoods.com) and the website of the SFC at [www.sfc.hk](http://www.sfc.hk) from the date when this Scheme Document is published until (a) the Effective Date, and (b) the date on which the Scheme is withdrawn or lapses, whichever is earlier:

- (a) the memorandum and articles of association of the Company;
- (b) the constitution of the Offeror;
- (c) the annual reports containing audited consolidated financial statements of the Company for the years ended 31 March 2023 and 31 March 2024;
- (d) the letter from the Board, the text of which is set out in Part IV of this Scheme Document;
- (e) the letter from the Independent Board Committee, the text of which is set out in Part V of this Scheme Document;
- (f) the letter from the Independent Financial Adviser, the text of which is set out in Part VI of this Scheme Document;
- (g) the written consents referred to in the section headed “10. Consents and Qualifications of Experts” in this Appendix II;
- (h) the service contracts referred to in the section headed “9. Directors’ Service Contracts” in this Appendix II;
- (i) the property valuation report (including the valuation certificate) from BonVision, the text of which is set out in Appendix III of this Scheme Document;
- (j) the Implementation Agreement;
- (k) the Shareholders’ Deed;
- (l) the Supplemental Shareholders’ Deed;
- (m) the Service Deed;
- (n) the Deed of Indemnity;
- (o) the Supplemental Deed of Indemnity; and
- (p) this Scheme Document.

*The following is the text of a letter, summary of values and the valuation certificates prepared for the purpose of incorporation in this scheme document received from BonVision International Appraisals Limited, an independent valuer, in connection with its valuation as at 31 August 2024 of the property interest held by the Group. Terms defined in this appendix apply to this appendix only.*

**BonVision International Appraisals Limited**

Room 1205-06, 12/F, Tai Yau Building,  
181 Johnston Road, Wan Chai, Hong Kong

Phone: (852) 2916 2188

Email: info@bonvision.com

25 October 2024

The Board of Directors  
**Eggriculture Foods Ltd.**  
Unit 1104, 11/F,  
Keybond Commercial Building  
38 Ferry Street, Jordan,  
Kowloon, Hong Kong

Dear Sirs/Madams,

**Re: Valuation of the property interests of two farm and production developments situated in the Republic of Singapore**

**INSTRUCTION, PURPOSE AND VALUATION DATE**

In accordance with the instructions from Eggriculture Foods Ltd. (hereinafter referred to as the “**Company**”), together with its subsidiaries hereinafter collectively referred to as the “**Group**”) for BonVision International Appraisals Limited (hereinafter referred to as “**BonVision**”, “**We**” or “**us**”) to assess the market values of the captioned property interests (hereinafter referred to as the “**Subject Properties**”) held by the Group situated in the Republic of Singapore (hereinafter referred to as “**Singapore**”), we confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the Subject Properties as at 31 August 2024 (the “**Valuation Date**”) for the purpose of incorporation in the scheme document published by the Company dated 25 October 2024.

**VALUATION STANDARDS**

This valuation has been prepared in accordance with the HKIS Valuation Standards 2020 published by the Hong Kong Institute of Surveyors (“**HKIS**”), the RICS Valuation — Global Standards published by the Royal Institution of Chartered Surveyors (“**RICS**”), and the International Valuation Standards published by the International Valuation Standards Council (“**IVSC**”). For the purpose of this valuation, we have also complied

with the requirements set out in Chapter 8 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited; and Rule 11 of The Code on Takeovers and Mergers published by the Securities and Futures Commission.

### **VALUATION BASIS**

This valuation has been carried out on the basis of market value which defined by the IVSC and adopted by HKIS and RICS as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

### **VALUATION METHODOLOGY**

The buildings and structures of the Subject Properties are specifically designed and built for the purpose of egg farming and production related use by the Group only and not rental income generating, sufficient market data is absent to determine the market values of the Subject Properties by means of market or income-based evidence, and therefore Depreciated Replacement Cost (“DRC”) method, one of the Cost Approaches, is adopted to assess the market values of the Subject Properties. DRC method in the context of real estate valuation is defined by HKIS as “based on an estimate of the market value of the land in its existing use, plus the current cost of replacement of the improvements less allowance for physical deterioration and all relevant forms of obsolescence and optimization”, where the market value of the land use right is assessed by making reference to relevant market transaction evidence. Unless otherwise stated, we have not considered any redevelopment potential which might affect the market values of the Subject Properties.

### **VALUATION ASSUMPTIONS**

Our valuation has been made on the assumptions that the owner sells the Subject Properties in the open market as at the Valuation Date in its existing state without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the market values of the Subject Properties. No account has been taken of any option or right of pre-emption concerning or affecting the sale of the Subject Properties. No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Subject Properties nor for any expenses or taxation which may be incurred in effecting a sale. The Subject Properties are valued on the basis of 100% attributable interest. No allowance has been made for the Subject Properties to be sold in one lot or to a single purchaser. For leasehold property, it is assumed that the owner has free and uninterrupted rights to occupy and use such leasehold property during the whole of the remaining land lease term.

### **INFORMATION SOURCE**

We have relied to a very considerable extent on the information provided by the Group and have accepted advice given to us by the Group on matters such as identification of the Subject Properties, occupation particulars, floor areas, planning

approvals or statutory notices, easements, tenure, building age and all other relevant matters which could affect the market values of the Subject Properties. All documents have been used for reference only. We have no reason to doubt the truth and accuracy of the information provided to us which is material to the valuation. We have also been advised that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view of valuation and have no reason to suspect that any material information has been withheld. If in any circumstance that additional documents, information or facts became available, we reserve the right to amend our valuation opinions and this report.

Whenever the information contained in this valuation report is quoted or extracted from documents supplied to us which are originally produced in other languages and translated into English for disclosure purpose, in case of any inconsistency, the original version shall prevail.

#### **TITLE INVESTIGATION**

We have conducted relevant land searches from the Singapore Land Authority. However, we have not scrutinized the original documents to ascertain the existence of any amendments which may not appear on the copies available to us. All legal documents disclosed in this valuation report are for reference only and we assume no liability for any existing or potential legal matters in relation to the title of the Subject Properties.

#### **INSPECTION AND INVESTIGATIONS**

We have inspected the Subject Properties on 29 August 2024, which was conducted by Ms. Jessica Lam *CFA FRM* who possesses over 8 years of experience in asset valuation advisory. We have inspected the exterior and endeavored to inspect the interior of the Subject Properties where accessible. During the course of our inspection, no structural survey has been made in respect of the Subject Properties and we did not notice any obvious serious defects. We are not able to report that the Subject Properties are free from rot, infestation, or any other structural defects. No test was carried out on any of the building services. We have been advised by the Group and assumed that the buildings and structures are built in satisfactory order without any unauthorized addition or alterations or unpermitted use.

We have not carried out on-site measurements to verify the land areas and floor areas of the Subject Properties, but we have assumed the information shown on the documents handed to us is correct and this valuation has relied on such information. Except as otherwise stated, all dimensions, measurements and areas reported in this valuation report are based on information contained in the documents provided to us and are therefore approximations.

We have not carried out any land investigation or environmental surveys but during our inspection we did not notice and have not been advised of any evidence of environmental concerns such as existing or potential contamination or any form of hazard, and we assumed none of such exists.

It is assumed that there is no material change in the condition of the Subject Properties between our inspection and the Valuation Date.

#### **POTENTIAL TAX LIABILITIES**

As advised by the Group, the potential tax liabilities which may arise from disposal of property in Singapore include Seller's Stamp Duty for industrial and residential properties. However, the Subject Properties do not fall into the category of industrial nor residential properties thus such Seller's Stamp Duty is not applicable. Besides, the property seller is obligated to settle the outstanding Property Tax before the disposal, if any, which the tax rate for non-residential property is 10% of the Annual Value.

As advised by the Group, the Group intends to hold the Subject Properties with no intention to dispose, therefore the likelihood of any relevant potential tax liabilities being crystallized is remote.

#### **CURRENCY**

Unless otherwise stated, all monetary amounts stated in our valuation is in Singapore Dollars ("S\$"), the lawful currency of Singapore; and/or Hong Kong Dollars ("HK\$") the lawful currency of Hong Kong SAR. For the purpose of this valuation and for information only, the amounts denominated in S\$ have been translated into HK\$ with the exchange rate of S\$1: HK\$5.9809 as announced by the Monetary Authority of Singapore as effective at the Valuation Date.

#### **AREA UNITS AND CONVERSION**

Unless otherwise stated, the floor areas or site areas are expressed in the units of square meters ("sq.m.") or square feet ("sq.ft."), the conversion rate adopted is 1 sq.m. = 10.764 sq.ft.

#### **LIMITING CONDITIONS AND REMARK**

We confirm that we are independent of and unconnected with any directors, chief executive, substantial shareholders of the Group or their respective associates; we have no interests in any of the Subject Properties; and we do not aware of any instances which might give rise to any potential conflict of interest and affect our position as an external independent valuer to provide unbiased and objective valuation opinions.

We confirm that the personnel who signed off this valuation report has sufficient skills, knowledge, experience and qualifications in the relevant market and nature of the Subject Properties, and competent to undertake this valuation assignment.

We hereby state that this valuation report is for the use only of the party to whom it is addressed and for the purpose specified in the valuation report with our written

consent. No responsibility is accepted to any third party for the whole or any part of its contents. Neither the whole or any part of this report may be included in any published documents or statement nor published in any way without our prior written approval of the form and context in which it may appear.

This report has been produced and signed off in the language of English only. If this report has been translated into other languages, the translated report should only be deemed for reference only. In case of any inconsistency, the English version shall prevail.

*Our Summary of Values and Valuation Certificates are enclosed herewith.*

Yours faithfully,

For and on behalf of

**BonVision International Appraisals Limited**

---

**Alex Ma**

*MHKIS MRICS RPS(GP) RICS Registered Valuer*

*Director of Property Valuation & Advisory*

*Note:* Mr. Ma is a Member of Hong Kong Institute of Surveyors, a Member and Registered Valuer of the Royal Institution of Chartered Surveyors, and a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417). He has over 10 years' property valuation experience in the People's Republic of China, Hong Kong SAR, Singapore, and various overseas countries in the regions of Asia-Pacific, Europe, and America.

## SUMMARY OF VALUES

## Property interests held by the Group for owner-occupation purpose in Singapore

No.	Property	Market Value in Existing State as at 31 August 2024
1.	A farm and production development situated at Lot No. MK12-1947C, 1 Lim Chu Kang Lane 9A, Singapore 718845	S\$27,300,000 (HK\$163,000,000)
2.	A farm and production development situated at Lot No. MK12-1939A, 260 Neo Tiew Crescent, Aero-Green Farm, Singapore 718899	S\$8,400,000 (HK\$50,200,000)
<b>Grand Total:</b>		<b>S\$35,700,000</b> <b>(HK\$213,200,000)</b>



## Property interests held by the Group for owner-occupation purpose in Singapore

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2024										
1.	A farm and production development situated at Lot No. MK12-1947C, 1 Lim Chu Kang Lane 9A, Singapore 718845	<p>The property comprises a farm and production development erected on a parcel of irregularly shaped land.</p> <p>According to the information and plans provided by the Group, the property comprises various buildings and structures erected for egg farming use, such as layer houses, layer sheds, ancillary office, worker quarter, egg store, etc., which were completed between 1998 and 2002 with major improvements since 2018 and generally completed in 2023. The total gross floor area (“GFA”) is about 37,955.78 sq.m., breakdown by uses is as below:</p> <table border="1"> <thead> <tr> <th>Uses</th> <th>GFA (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Production</td> <td>34,411.00</td> </tr> <tr> <td>Ancillary office</td> <td>1,527.33</td> </tr> <tr> <td>Other Ancillary</td> <td>2,017.45</td> </tr> <tr> <td><b>Total</b></td> <td><b>37,955.78</b></td> </tr> </tbody> </table> <p>The site area of the land of the property is 116,037.4 sq.m., the land use right has been granted for a term of 20 years commencing on 3 May 2018 for the permitted use of “hen layer egg farming” only.</p>	Uses	GFA (sq.m.)	Production	34,411.00	Ancillary office	1,527.33	Other Ancillary	2,017.45	<b>Total</b>	<b>37,955.78</b>	<p>The property is occupied by the Group for egg farming purpose as at the Valuation Date.</p> <p>As advised by the Group, a 4-storey building for production, storage and ancillary office uses with a GFA of about 3,966.69 sq.m. is carrying out interior decoration and alternation works and expected fully operative in early 2025.</p>	<p>S\$27,300,000 (Singapore Dollars Twenty-Seven Million Three Hundred Thousand (HK\$163,000,000 (Hong Kong Dollars One Hundred Sixty-Three Million))</p>
Uses	GFA (sq.m.)													
Production	34,411.00													
Ancillary office	1,527.33													
Other Ancillary	2,017.45													
<b>Total</b>	<b>37,955.78</b>													

## Notes:

- Pursuant to the title record obtained from Singapore Titles Automated Registration System of Singapore Land Authority, the registered proprietor of the property is N & N AGRICULTURE PTE LTD, an indirectly wholly owned subsidiary of the Company, and the property is free from encumbrances and restrictions.

2. Pursuant to the Land Lease No.30171 entered between the President of the Republic of Singapore (the “Lessor”) and N&N Agriculture Pte Ltd (the “Lessee”) on 22 July 2020, the land parcel identified as Lot 1947C of Mukim 12 with a site area of 116,037.4 sq.m. has been leased to the Lessee by the Lessor for a term of 20 years commencing on 3 May 2018 in consideration of a premium of S\$2,900,000. The permitted usage is restricted to hen layer egg farming only.
3. According to the Singapore Master Plan 2019, the property is zoned for Agriculture use.
4. The property situates within the planning area Lim Chu Kang, in the north-western area of the North Region of Singapore, about 40 minutes driving distance from the Singapore CBD. The surrounding area is mainly rural and occupied for agriculture uses. Public transportation and community facilities are limited.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2024										
2.	A farm and production development situated at Lot No. MK12-1939A, 260 Neo Tiew Crescent, Aero-Green Farm, Singapore 718899	<p>The property comprises a farm and production development erected on a parcel of generally rectangularly shaped land.</p> <p>According to the information and plans provided by the Group, the property comprises various buildings and structures erected for quail egg farming use, such as hatchery, egg processing factory, worker quarter, ancillary office, etc., which were completed in 2023. The total gross floor area ("GFA") is about 7,469.90 sq.m., breakdown by uses is as below:</p> <table border="1"> <thead> <tr> <th>Uses</th> <th>GFA (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Production</td> <td>6,796.43</td> </tr> <tr> <td>Ancillary office</td> <td>124.06</td> </tr> <tr> <td>Other Ancillary</td> <td>549.41</td> </tr> <tr> <td><b>Total</b></td> <td><b>7,469.90</b></td> </tr> </tbody> </table> <p>The site area of the land of the property is 16,096.3 sq.m., the land use right has been granted for a term of 20 years commencing on 20 March 2019 for the permitted use of "quail egg farming" only.</p>	Uses	GFA (sq.m.)	Production	6,796.43	Ancillary office	124.06	Other Ancillary	549.41	<b>Total</b>	<b>7,469.90</b>	The property is occupied by the Group for quail egg farming purpose as at the Valuation Date.	S\$8,400,000 (Singapore Dollars Eight Million Four Hundred Thousand) (HK\$50,200,000 (Hong Kong Dollars Fifty Million Two Hundred Thousand))
Uses	GFA (sq.m.)													
Production	6,796.43													
Ancillary office	124.06													
Other Ancillary	549.41													
<b>Total</b>	<b>7,469.90</b>													

## Notes:

- Pursuant to the title record obtained from Singapore Titles Automated Registration System of Singapore Land Authority, the registered proprietor of the property is QUAILICO EGGS PTE. LTD., an indirectly wholly owned subsidiary of the Company, and the property is free from encumbrances and restrictions.
- Pursuant to the Land Lease No.30133 entered between Singapore Food Agency (the "Lessor") and Quailico Eggs Pte. Ltd. (the "Lessee") on 13 August 2020, the land parcel identified as Lot No. MK12-1939A with a site area of 16,096.3 sq.m. has been leased to the Lessee by the Lessor for a term of 20 years commencing on 20 March 2019 in consideration of a premium of S\$483,000. The permitted usage is restricted to quail egg farming only.
- According to the Singapore Master Plan 2019, the property is zoned for Agriculture use.
- The property situates within the planning area Lim Chu Kang, in the north-western area of the North Region of Singapore, about 35 minutes driving distance from the Singapore CBD. The surrounding area is mainly rural and occupied for agriculture uses. Public transportation and community facilities are limited.

IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION

Cause No. FSD 296 of 2024(JAJ)

IN THE MATTER OF SECTION 86 OF THE COMPANIES ACT  
(2023 REVISION) (AS REVISED)

AND IN THE MATTER OF ORDER 102 OF THE GRAND COURT RULES 1995  
(AS REVISED)

AND IN THE MATTER OF EGGRICULTURE FOODS LTD. 永續農業發展有限公司

**SCHEME OF ARRANGEMENT  
BETWEEN  
EGGRICULTURE FOODS LTD. 永續農業發展有限公司  
AND  
THE SCHEME SHAREHOLDERS  
(AS DEFINED BELOW)**

(A) In this scheme of arrangement, unless inconsistent with the subject or context, the following expressions shall bear the following meanings:

“acting in concert”	has the meaning ascribed to it in the Takeovers Code and “persons acting in concert” and “concert parties” shall be construed accordingly
“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 divided by 294,800,000 Scheme Shares held by the Founder Holdco
“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 of the Company
“Business Day”	a day on which the Hong Kong Stock Exchange is open for the transaction of business

“Cancellation Price”	the cancellation 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) of the Cayman Islands (As Revised)
“Company”	Eggriculture Foods Ltd., an exempted company incorporated under the laws of the Cayman Islands with limited liability and the Shares of which are listed on GEM (Stock Code: 8609)
“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 Part VII – “Explanatory Memorandum” of the Scheme Document
“controlling shareholder”	has the meaning ascribed to it in the GEM Listing Rules
“Court Meeting”	a meeting of the Scheme Shareholders convened at the directions of the Grand Court to be held at 10:30 a.m. on Thursday, 12 December 2024 at Suite 3701-10, Jardine House, 1 Connaught Place, Central, Hong Kong, at which the Scheme (with or without modifications) will be voted upon, or any adjournment or postponement 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
“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
“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 held at 11:00 a.m. on Thursday, 12 December 2024 (or, if later, immediately after the conclusion or adjournment of the Court Meeting) at Suite 3701-10, Jardine House, 1 Connaught Place, Central, Hong Kong, for the purposes of considering and, if thought fit, approving all necessary resolutions for the implementation of the Proposal, or any adjournment or postponement thereof
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any delegate of the Executive Director
“Explanatory Memorandum”	the explanatory memorandum set out in Part VII of the Scheme Document
“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 Latest Practicable Date, Founder Holdco was a controlling shareholder of the Company
“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
“GEM”	GEM of the Hong Kong Stock Exchange
“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
“HK\$”	Hong Kong dollar(s), 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
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive directors of the Company, namely Mr. Sneddon Donald William, Mr. Yuen Ka Lok Ernest and Mr. Lew Chern Yong
“Independent Financial Adviser”	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
“Latest Practicable Date”	22 October 2024, being the latest practicable date for ascertaining certain information contained in the Scheme Document
“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
“Mr. Ma” or “Founder”	Mr. Ma Chin Chew, an executive director of the Company, the chairman of the Board and the chief executive officer of the Company, and a controlling shareholder of the Company as at the Latest Practicable Date
“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 Latest Practicable Date

“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 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)
“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, on the terms and subject to the Conditions set out in the Scheme Document
“Scheme”	the scheme of arrangement under section 86 of the Companies Act between the Company and the Scheme Shareholder for the implementation of the Proposal
“Scheme Document”	the composite scheme document of the Offeror and the Company (of which this Scheme forms part) containing, among other things, further details of the Proposal
“Scheme Record Date”	2 January 2025 or such other date as shall have been announced to the Shareholders, being the record date for the purpose of determining 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
“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)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the registered holder(s) of 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
“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 dollar(s), the lawful currency of Singapore
“Takeovers Code”	the Code on Takeovers and Mergers in Hong Kong as amended from time to time

- (B) The Company was incorporated as an exempted company on 12 February 2018 with limited liability in the Cayman Islands.
- (C) As at the Latest Practicable Date, the authorised share capital of the Company was HK\$100,000,000 divided into 10,000,000,000 Shares of HK\$0.01 each. As at the Latest Practicable Date, the issued share capital of the Company was HK\$5,000,000 divided into 500,000,000 Shares of HK\$0.01 each. Since 7 September 2018, the issued Shares of the Company have been listed and traded on GEM.
- (D) The Offeror has proposed the privatisation of the Company by way of the Scheme.
- (E) The primary purpose of the Scheme is to privatise the Company as a result of cancelling all of the Scheme Shares so that the Company will be wholly owned by the Offeror. Simultaneously with the cancellation of the Scheme Shares, the share capital of the Company will be maintained by the issuance at par to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled. The reserve created in the books of account of the Company as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Shares so issued to the Offeror.

(F) As at the Latest Practicable Date, the major shareholdings were as follows:

	Number of Shares	Total number of Shares in issue (%)
<b>Offeror<sup>(1)</sup></b>	–	–
<b>Scheme Shareholders</b>		
Founder Holdco <sup>(2)</sup>	294,800,000	58.96
Disinterested Shareholders		
– Elite Ocean Ventures Limited <sup>(3)</sup>	80,200,000	16.04
– Other Disinterested Shareholders	125,000,000	25.00
Sub-total	205,200,000	41.04
<b>Aggregate number of Shares held by Scheme Shareholders</b>	<u>500,000,000</u>	<u>100.00</u>
<b>Total number of Shares in issue</b>	<u><u>500,000,000</u></u>	<u><u>100.00</u></u>

Notes: The following are the notes in respect of the table above:

- As at the Latest Practicable Date, 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 Latest Practicable Date, the Founder Holdco is wholly-owned by Mr. Ma. Therefore, Mr. Ma is deemed to be interested in the Shares held by the Founder Holdco by virtue of the SFO.
- As at the Latest Practicable Date, Elite Ocean Ventures Limited is wholly-owned by Mr. Lim Joo Boon, a third party independent of Betagro, the Offeror, the Founder Holdco, Mr. Ma, Ms. Lim Siok Eng (an executive Director) and other directors of the Company.
- Save for (i) Mr. Ma (an executive director of the Company) who is deemed to be interested in the 294,800,000 Shares held by the Founder Holdco (please refer to Note 2 above); and (ii) Ms. Lim Siok Eng (an executive director of the Company) 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 of the Company hold or is interested in any Shares as at the Latest Practicable Date. Ms. Lim Siok Eng does not have any relationship with Mr. Lim Joo Boon.
- All percentages in the above table are approximations and rounded to the nearest 2 decimal places and the aggregate percentages may not add up due to rounding of the percentages to 2 decimal places.

(G) The Founder Holdco has (a) approved the Scheme in writing and (b) given an undertaking to the Grand Court (i) not to attend nor vote at the Court Meeting; and (ii) to agree to and be bound by the Scheme.

- (H) The Offeror has undertaken to the Grand Court to be bound by the terms of the Scheme and to execute and do and procure to be executed and done all such documents and things as may be necessary or desirable to be executed or done by each of them for the purposes of giving effect to the Scheme.

## THE SCHEME

### PART I

#### CANCELLATION OF THE SCHEME SHARES

1. On the Effective Date:
  - (a) all Scheme Shares shall be cancelled;
  - (b) simultaneously with the cancellation of the Scheme Shares, the issued share capital of the Company shall be maintained by the issuance to the Offeror, credited as fully paid, of an aggregate number of Shares which is equal to the number of Scheme Shares cancelled; and
  - (c) the Company shall apply the reserve created in its books of account as a result of the cancellation of the Scheme Shares in paying up in full the new Shares issued to the Offeror.

### PART II

#### CONSIDERATION FOR CANCELLATION OF THE SCHEME SHARES AND PAYMENT OF ADDITIONAL PRICE

2. All the Scheme Shares will be cancelled in consideration for the Cancellation Price, among which:
  - (a) 169,800,000 Founder Scheme Shares will be cancelled in consideration for the Cancellation Price, which shall be paid by the Offeror in cash;
  - (b) 125,000,000 Founder Rollover Scheme 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; and
  - (c) all Other Scheme Shares will be cancelled in consideration for the Cancellation Price, which shall be paid by the Offeror in cash.
3. Subject to the Scheme becoming effective, the Additional Price of HK\$0.082 per Other Scheme Share shall be paid to the Other Scheme Shareholders in cash by the Offeror.

## PART III

## GENERAL

4. (a) As soon as possible and but in any event within seven Business Days following the Effective Date, the Offeror shall (i) post or cause to be posted cheques to the Scheme Shareholders in respect of the sums payable to such Scheme Shareholders pursuant to paragraph 2 and paragraph 3 of the Scheme and (ii) issue or cause to be issued to Founder Holdco such number of Offeror Shares, credited as fully paid, in accordance with the Shareholders' Deed.
- (b) If any severe weather condition is (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force at or after 12:00 noon on Monday, 13 January 2025, the latest date to despatch cheques for cash payment of the Cancellation Price to the Scheme Shareholders and the Additional Price to the Other Scheme Shareholder will remain on the same Business Day; or (b) in force in Hong Kong at any local time at 12:00 noon and/or thereafter on Monday, 13 January 2025, the latest date to despatch cheques for cash payment of the Cancellation Price to the Scheme Shareholders and the Additional Price to the Other Scheme Shareholder will be postponed to the next Business Day (that does not have any severe weather condition at 12:00 noon and/or thereafter) or such other date as the Executive may approve in accordance with the Takeovers Code. The term "severe weather" refers to the scenario where a tropical cyclone warning signal number 8 or above is hoisted, or "extreme conditions" as announced by the Hong Kong government and/or a black rainstorm warning is/are in force in Hong Kong.
- (c) All cheques shall be sent by ordinary post in postage pre-paid envelopes addressed to such Scheme Shareholders at their respective registered addresses as appearing in the register of members of the Company as at the Scheme Record Date, or in the case of joint holders, at the address appearing in the register of members of the Company as at the Scheme Record Date of the joint holder whose name then stands first in the register of members of the Company in respect of the relevant joint holding.
- (d) All cheques shall be made payable to the order of the person or persons to whom, in accordance with the provisions of paragraph 4(c) of the Scheme, the envelope containing the same is addressed and the encashment of any such cheque shall be a good discharge to the Offeror for the moneys represented thereby.
- (e) All such cheques shall be posted at the risk of the addressees and none of the Offeror, the Company, the financial adviser to the Offeror, the Independent Financial Adviser, the branch share registrar of the Company or any of their respective directors, officers, employees, agents, affiliates or advisers or any other persons involved in the Proposal shall be liable for any loss or delay in despatch.
- (f) On or after the day being six calendar months after the posting of the cheques pursuant to paragraph 4(c) of the Scheme, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been

cashed or has been returned uncashed, and shall place all monies represented thereby in a deposit account in the name of the Offeror with a licensed bank in Hong Kong selected by the Offeror. The Offeror shall hold such monies on trust until the expiry of six years from the Effective Date and shall, prior to such date, make payments therefrom of the sums payable pursuant to paragraph 2 and paragraph 3 of the Scheme, without interest earned thereon, to persons who satisfy the Offeror that they are respectively entitled thereto, provided that the cheques referred to in the foregoing sentence of which they are payees have not been cashed. Any payments made by the Offeror shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to the Scheme, and are subject to, if applicable, the deduction of interest, tax, or any withholding tax, or any other deduction required by law. The Offeror shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled, and a certificate of the Offeror to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.

- (g) On the expiry of six years from the Effective Date, the Offeror shall be released from any further obligation to make any payments under the Scheme and the Offeror shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit account referred to in paragraph 4(f) of the Scheme, including accrued interest subject to any deduction required by law and expenses incurred.
  - (h) Paragraph 4(g) shall take effect subject to any prohibition or condition imposed by law.
5. As from and including the Effective Date:
- (a) all certificates for the Scheme Shares shall cease to have effect as documents or evidence of title for such Scheme Shares and every holder thereof shall be bound, at the request of the Company, to deliver up such certificates to the Company or to any person appointed by the Company to receive the same for cancellation;
  - (b) all instruments of transfer validly subsisting as at the Scheme Record Date in respect of the transfer of any number of the Scheme Shares shall cease to be valid for all purposes as instruments of transfer; and
  - (c) all mandates or other instructions to the Company in force as at the Scheme Record Date in relation to any of the Scheme Shares shall cease to be valid as effective mandates or instructions.
6. Subject to the Conditions having been fulfilled or waived, as applicable, the Scheme shall become effective as soon as a copy of the order of the Grand Court sanctioning the Scheme under section 86 of the Companies Act has been delivered to the Registrar of Companies in the Cayman Islands for registration pursuant to section 86(3) of the Companies Act.
7. Unless the Scheme shall have become effective on or before the Long Stop Date, the Scheme shall lapse.

8. The Company and the Offeror may jointly consent for and on behalf of all parties concerned to any modification of or addition to the Scheme or to any condition which the Grand Court may see fit to approve or impose.
9. All costs, charges and expenses shall be borne and paid in the manner described in the Scheme Document.

IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION

Cause No. FSD 296 of 2024(JAJ)

IN THE MATTER OF SECTION 86 OF THE COMPANIES ACT  
(2023 REVISION) (AS REVISED)

AND IN THE MATTER OF ORDER 102 OF THE GRAND COURT RULES 1995  
(AS REVISED)

AND IN THE MATTER OF EGGRICULTURE FOODS LTD. 永續農業發展有限公司

### NOTICE OF COURT MEETING

**NOTICE IS HEREBY GIVEN** that, by an order (the “**Order**”) dated 14 October 2024 made in the above matter, the Grant Court of the Cayman Islands (the “**Court**”) has directed a meeting (the “**Court Meeting**”) of the Scheme Shareholders (as defined in the Scheme (as defined further below)) to be convened for the purpose of considering and, if thought fit, approving (with or without modifications) a scheme of arrangement (the “**Scheme**”) proposed to be made between Eggriculture Foods Ltd. 永續農業發展有限公司 (the “**Company**”) and the Scheme Shareholders and that the Court Meeting will be held at 10:30 a.m. on Thursday, 12 December 2024 (Hong Kong time) at Suite 3701-10, Jardine House, 1 Connaught Place, Central, Hong Kong at which all Scheme Shareholders are invited to attend.

A copy of the Scheme and a copy of an explanatory memorandum explaining, amongst other things, the effect of the Scheme are incorporated in the composite scheme document dated 25 October 2024 (the “**Scheme Document**”) of which this notice forms part. A copy of the Scheme Document may also be obtained by the Scheme Shareholders from the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, during usual business hours.

Scheme Shareholders may vote in person at the Court Meeting or they may appoint another person, whether a member of the Company or not, to attend, speak and vote in their stead. A **pink** form of proxy for use at the Court Meeting (or any adjournment or postponement thereof) is enclosed with the Scheme Document. The completion and return of the **pink** form of proxy will not preclude a Scheme Shareholder from attending and voting in person at the Court Meeting, or any adjournment or postponement thereof, if he/she so wishes and in such event, the **pink** form of proxy will be revoked by operation of law.

In the case of joint holders of a Scheme Share (as defined in the Scheme), any one of such joint holders may vote at the Court Meeting, either in person or by proxy, in respect of such Scheme Share as if he/she was solely entitled thereto. However, if more than one of such joint holders is present at the Court Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names of the joint holders stand in the register of members of the Company in respect of such joint holding.

In the case of a Scheme Shareholder which is a corporation, the Scheme Shareholder may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its corporate representative at the Court Meeting and exercise the same powers on behalf of the corporate Scheme Shareholder as if the corporate Scheme Shareholder was an individual Scheme Shareholder of the Company.

It is requested that the **pink** form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, be deposited at the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 10:30 a.m. on Tuesday, 10 December 2024 (Hong Kong time), but if the **pink** form of proxy is not so lodged, it may alternatively be handed to the chairman of the Court Meeting at the commencement of the Court Meeting and the chairman of the Court Meeting shall have absolute discretion as to whether or not to accept it.

By the Order, the Court has appointed any one of the independent non-executive directors of the Company, as agreed between them or any other officer of the Company in attendance at the Court Meeting to act as the chairman of the Court Meeting and has directed the chairman of the Court Meeting to report the proceedings of and voting at the Court Meeting to the Court.

The Scheme is subject to the subsequent sanction of the Court.

Dated: 25 October 2024

On behalf of the board of directors of  
**Eggriculture Foods Ltd.**  
永續農業發展有限公司

*Notes:*

1. Voting at the Court Meeting will be conducted by way of a poll.
2. Any Scheme Shareholder entitled to attend and vote at the Court Meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a shareholder of the Company. A Scheme Shareholder who is the holder of two or more Scheme Shares may appoint more than one proxy to represent him/her to attend and vote on his/her behalf. If more than one proxy is so appointed, the appointment shall specify the number of Scheme Shares in respect of which each such proxy is so appointed.
3. For the purpose of determining the entitlements of holders of Scheme Shares to attend and vote at the Court Meeting, the register of members of the Company will be closed from Friday, 6 December 2024 to Thursday, 12 December 2024, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify to attend and vote at the Court Meeting, all transfers of shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 5 December 2024 (Hong Kong time).



# EGGRICULTURE FOODS LTD. 永續農業發展有限公司

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 8609)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Eggriculture Foods Ltd. (the “Company”) will be held at 11:00 a.m. (Hong Kong time) on Thursday, 12 December 2024 at Suite 3701-10, Jardine House, 1 Connaught Place, Central, Hong Kong (or, if later, immediately after the conclusion or the adjournment of the Court Meeting (as defined in the Scheme Document (as defined below)) for the purpose of considering and, if thought fit, passing the following resolutions. Unless otherwise defined, capitalised terms used in this notice shall have the same meanings as those defined in the scheme document of the Company dated 25 October 2024 (the “Scheme Document”) of which this notice forms part.

### SPECIAL RESOLUTION

1. “THAT, for the purpose of giving effect to the Scheme between the Company and the Scheme Shareholders as set out in the Scheme Document and subject to the approval of the Scheme by the Scheme Shareholders at the Court Meeting, on the Effective Date, any reduction of the issued share capital of the Company associated with the cancellation of the Scheme Shares be and is hereby approved.”

### ORDINARY RESOLUTIONS

2. “THAT, subject to and simultaneously with the cancellation of the Scheme Shares, 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 applying the reserve created in the books of account of the Company as a result of the cancellation of the Scheme Shares to pay up in full at par such new Shares so issued, be and is hereby approved.”
3. “THAT, the Offeror Cooperation Arrangement, the terms thereof and all the transactions contemplated or arising thereunder, be and are hereby approved, confirmed and ratified.”

4. “**THAT** any one of the directors of the Company be and is hereby authorised to do all such acts and things considered by any of them to be necessary or desirable in connection with the implementation of the Proposal (including the Scheme) and the Offeror Cooperation Arrangement, including (without limitation) (i) the making of 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, subject to the Scheme taking effect; (ii) any reduction of the issued share capital of the Company associated with the cancellation of the Scheme Shares; (iii) the allotment and issue of the Shares referred to in Resolution No. 2 of this notice; and (iv) the giving, on behalf of the Company, of consent to any modification of, or addition to, the Scheme, which the Grand Court of the Cayman Islands may see fit to impose and to do all other acts and things and/or sign such documents considered by them to be necessary for or desirable in connection with the implementation of the Proposal (including the Scheme) and the Offeror Cooperation Arrangement and in relation to the proposed privatisation of the Company by the Offeror by way of the Scheme as a whole.”

By order of the Board  
**Eggriculture Foods Ltd.**

**Ma Chin Chew**

*Chairman, Executive Director and  
Chief Executive Officer*

Hong Kong, 25 October 2024

*Registered office:*

Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal place of business*

*in Hong Kong:*  
Unit 1104, 11/F.  
Keybond Commercial Building  
38 Ferry Street, Jordan  
Kowloon, Hong Kong

*Head office and principal place of  
business in Singapore:*

1 Lim Chu Kang Lane 9A  
Singapore 718845

*Notes:*

1. All resolutions at the EGM will be taken by poll (except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands) pursuant to the GEM Listing Rules and the articles of association of the Company.
2. Any Shareholder entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a Shareholder. A Shareholder who is the holder of two or more Shares may appoint more than one proxy to represent him/her to attend and vote on his/her behalf. If more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which each such proxy is so appointed. Every Shareholder present in person or by proxy shall be entitled to one vote for each share held by him or her.
3. In order to be valid, the **WHITE** form of proxy for use at the EGM must be duly completed and signed in accordance with the instructions printed thereon and deposited together with the power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding of the EGM (or any adjournment or postponement thereof). Delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the EGM (or any adjournment or postponement thereof) and, in such event, the instrument appointing a proxy shall be revoked by operation of law.
4. For the purpose of determining the entitlements to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 6 December 2024 to Thursday, 12 December 2024, both dates inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify to attend and vote at the EGM, all transfers of shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 4:30 p.m. on Thursday, 5 December 2024.
5. In case of joint holders of a Share, any one of such joint holders may vote at the EGM, either in person or by proxy, in respect of such Share as if he/she was solely entitled thereto; but if more than one of such joint holders is present at the EGM, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names of the joint holders stand in the register of members of the Company in respect of such joint holding.

*As at the date hereof, the Board comprises the following members:*

Executive Directors:	Mr. Ma Chin Chew ( <i>Chairman and Chief Executive Officer</i> ) Ms. Lim Siok Eng Mr. Tang Hong Lai
Independent non-executive Directors:	Mr. Sneddon Donald William Mr. Yuen Ka Lok Ernest Mr. Lew Chern Yong