



27/F, GF Tower,
81 Lockhart Road,
Wan Chai,
Hong Kong

26 July 2024

To the Offer Shareholders

Dear Sir/Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
GF SECURITIES (HONG KONG) BROKAGE LIMITED
FOR AND ON BEHALF OF
GUANGKEN RUBBER (SINGAPORE) PTE. LTD. 廣墾橡膠(新加坡)有限公司
TO ACQUIRE ALL THE ISSUED SHARES IN
HUA LIEN INTERNATIONAL (HOLDING) COMPANY LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED
BY
GUANGKEN RUBBER (SINGAPORE) PTE. LTD. 廣墾橡膠(新加坡)有限公司
AND PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

Reference is made to the Joint Announcement in relation to, among others, the Transactions and the General Offer.

On 28 May 2024 (after trading hours), Guangken (as the transferee) entered into the Equity Transfer Agreement with China Complant (as the transferor), pursuant to which China Complant agreed to transfer 30% of the equity interest in COMPLANT Sugar (i.e. 12,000,000 COMPLANT Sugar Shares), approximately 36.51% of the equity interest in the Company (i.e. 800,000,000 Shares) and the Long-term Receivables to Guangken at nil consideration. Completion of the Transaction 1 took place on 12 June 2024.

On 28 May 2024 (after trading hours), Guangken entered into the Sales and Purchase Agreement and the Supplemental SPA with China Complant, pursuant to which China Complant agreed to sell the Creditor's Rights to Guangken at a consideration of approximately RMB126.1 million (equivalent to approximately HK\$138.4 million) and transfer the Charged Shares to Guangken at a consideration of approximately US\$1.0 (equivalent to approximately HK\$7.8) by enforcing the security rights under the Share Charge in relation to the Creditor's Rights. Completion of the Transaction 2 took place on 28 May 2024.

Immediately following Completion and as at the Latest Practicable Date, Guangken and parties acting in concert with it held 1,100,000,000 Shares, representing approximately 50.20% of the total issued share capital of the Company, which comprised approximately 36.51% of the total issued share capital of the Company directly owned by Guangken, and approximately 13.69% of the total issued share capital of the Company directly owned by COMPLANT Sugar.

Pursuant to Rule 26.1 of the Takeovers Code, Guangken is required and had procured Guangken Singapore to make a mandatory unconditional cash offer (i.e. the General Offer) for all the outstanding Shares (other than those Shares which are already owned or agreed to be acquired by Guangken Singapore and parties acting in concert with it).

This letter forms part of this Offer Document and sets out, among other things, details of the principal terms of the General Offer, information of Guangken, information of Guangken Singapore, and the intention of Guangken Singapore regarding the Group. Further details on the terms and the procedures for acceptance of the General Offer are set out in Appendix I to this Offer Document and the accompanying Form of Acceptance.

Pursuant to the Takeovers Code, the Company is required to despatch the Response Document within 14 days from the date of this Offer Document. The Shareholders are strongly advised to read this Offer Document and the Response Document (including the letter of recommendation from the independent board committee and the letter from the independent financial adviser to be contained therein) carefully, and to consult their own professional advisers before reaching a decision as to whether or not to accept the General Offer.

PRINCIPAL TERMS OF THE GENERAL OFFER

The General Offer

GF Securities, for and on behalf of Guangken Singapore, is making the General Offer to acquire all the Offer Shares pursuant to Rule 26.1 of the Takeovers Code and on the terms set out below:

For each Offer Share HK\$0.156 in cash

Guangken Singapore had taken into account the decision of the Takeovers and Mergers Panel dated 27 August 2022 in relation to the total consideration option to determine the Offer Price by dividing the entire consideration paid for the Transactions (i.e. the sum of approximately RMB126.1 million and US\$1.0, which is equivalent to approximately HK\$138.4 million in aggregate) by the number of Shares (i.e. 1,100,000,000) to be controlled and held by Guangken upon Completion, under which the offer price should be set at HK\$0.126 per Offer Share.

However, considering that the offer price of HK\$0.126 per Offer Share would represent a discount of approximately 22.0% to the closing price of HK\$0.161 on the Last Trading Day, Guangken Singapore voluntarily offered a higher offer price and has decided to set the Offer Price at HK\$0.156 per Offer Share, which is equivalent to the average closing price of the Shares of the Company on the Stock Exchange during

the six-month period preceding the Last Trading Day prior to the issuance of the Joint Announcement from 29 November 2023 to 28 May 2024 in order to provide a more reasonable and fairer offer price per Offer Share. The Offer Price has been rounded up to three decimal places.

The Offer is unconditional in all respects.

Comparison of value

The offer price of approximately HK\$0.156 per Share represents:

- (i) the closing price of HK\$0.156 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 3.11% to the closing price of HK\$0.161 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 6.59% to the average closing price of HK\$0.167 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 0.64% to the average closing price of HK\$0.157 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (v) a premium of approximately 1.96% over the average closing price of HK\$0.153 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;
- (vi) a premium of approximately 0.65% over the average closing price of HK\$0.155 per Share as quoted on the Stock Exchange for the last 60 consecutive trading days up to and including the Last Trading Day;
- (vii) a premium of approximately 0.65% over to the average closing price of HK\$0.155 per Share as quoted on the Stock Exchange for the last 90 consecutive trading days up to and including the Last Trading Day;
- (viii) the average closing price of HK\$0.156 per Share as quoted on the Stock Exchange for the last 120 consecutive trading days up to and including the Last Trading Day; and
- (ix) a premium of approximately HK\$0.659 over the audited net liabilities per Share of approximately HK\$0.503 calculated based on the Group's audited consolidated net liabilities of approximately HK\$1,102 million as at 31 December 2023, divided by a total of 2,191,180,000 Shares in issue as at the Latest Practicable Date.

Highest and lowest Share prices

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.175 per Share on 28 March, 2 April, 23 May and 24 May 2024, respectively; and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.130 per Share on 22 April 2024.

Payment

Payment in cash in respect of acceptances of the General Offer will be made as soon as possible but, in any event, within seven (7) Business Days after the date on which the duly completed acceptances of the General Offer and the relevant documents of title of the Offer Shares in respect of such acceptances are received by or on behalf of the Offeror to render each such acceptance complete and valid.

No fractions of a cent will be payable and the amount of the consideration payable to an Offer Shareholder who accepts the General Offer will be rounded up to the nearest cent.

Value of the Offer

As at the Latest Practicable Date, there were 2,191,180,000 Shares in issue and the Company has no other outstanding Shares, options, derivatives, warrants or other securities which are convertible or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) and has not entered into any agreement for the issue of such options, derivatives, warrants or other relevant securities which are convertible or exchangeable into Shares. Based on the Offer Price of HK\$0.156 per Share, the entire issued share capital of the Company was valued at approximately HK\$341.8 million.

On the basis that there will be no change in the issued share capital of the Company from the Latest Practicable Date to the Closing Date and excluding the total of 1,100,000,000 Shares held by Guangken Singapore and parties acting in concert with it, a total of 1,091,180,000 Shares will be subject to the General Offer and the value of the General Offer is approximately HK\$170,224,080.

Confirmation of financial resources confirmation

Guangken Singapore intends to finance the maximum payment obligation payable for the General Offer by internal financial resources and external debt financing, which is a loan granted to the Offeror by China CITIC Bank Corporation Limited. Guangken Singapore does not intend that the payment of interest on, repayment of or provision of securities for any liability (contingent or otherwise) under the loan facility will depend to any significant extent on the business of the Group. GF Capital, as the financial adviser to Guangken Singapore in respect of the General Offer, is satisfied that Guangken Singapore has sufficient financial resources available for the payment in full of the cash required to satisfy full acceptance of the General Offer.

Effect of accepting the General Offer

By accepting the General Offer, the relevant Offer Shareholders will sell their Offer Shares to the Offeror free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them, including the right to receive in full all dividends and

other distributions, declared, made or paid on or after the date on which this Offer Document is posted. For the avoidance of doubt, if the Company declares any dividend during the Offer Period, the Offeror will not adjust the Offer Price. According to the published information by the Company, the Company did not declare any dividend for the year ended 31 December 2023. As at the Latest Practicable Date, the Company did not have any dividends or distributions announced, declared, recommended or made but unpaid and the Board has no intention to declare or pay any future dividend or make other distributions prior to and including the Closing Date.

Acceptances of the General Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Hong Kong stamp duty

Seller's ad valorem stamp duty at the rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the General Offer, whichever is higher, will be deducted from the amount payable to the relevant Offer Shareholder on acceptance of the General Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of accepting Offer Shareholders and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the General Offer and the transfer of the Offer Shares.

Overseas Shareholders

The availability of the General Offer to Offer Shareholders with a registered address in a jurisdiction outside Hong Kong may be affected by the applicable laws of the relevant jurisdiction. Overseas Shareholders with registered addresses in jurisdictions outside Hong Kong should inform themselves about and observe any applicable requirements in their own jurisdictions. It is the responsibility of the Overseas Shareholders, who are not residents in Hong Kong and wish to accept the General Offer, to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the General Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by accepting Overseas Shareholders in respect of such jurisdictions) and, where necessary, consult their own professional advisers.

Any acceptance of the General Offer by any Overseas Shareholder will be deemed to constitute a representation and warranty from such Overseas Shareholder to Guangken Singapore that the local laws and requirements have been complied with. Overseas Shareholders should consult their professional advisers if in doubt.

Taxation advice

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the General Offer. None of the Offeror, parties acting in concert with the Offeror, GF Capital, GF Securities and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the General Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the General Offer.

Procedures for acceptance

Your attention is drawn to “Further terms and procedures for acceptance of the General Offer” as set out in Appendix I to this Offer Document and the accompanying Form of Acceptance.

INFORMATION OF GUANGKEN

Guangken is a company established in the PRC in 1995 and a wholly people-owned enterprise (全民所有制企業) directly wholly-owned by the Ministry of Agriculture and Rural Affairs.

The principal business activities of Guangken and its subsidiaries (“the Guangken Group”) involve the plantation, processing and sales of rubber, sugar cane, Chinese herbal medicine and other businesses (including but not limited to grain and oil, provision of agricultural products distribution service, and real estate and property). The factories of the Guangken Group that involve in the rubber production and processing business are located in both the PRC and Southeast Asia, most of which are self-owned. The sales of rubber mainly take place in the PRC and also to other countries comprise Southeast Asia, Europe, America and the Middle East. The plantation and processing of sugar cane was principally conducted in the self-owned production bases located in the PRC, and the sales of sugar cane mainly take place in the PRC; while other businesses of the Guangken Group are also carried out and located in the PRC. As at the Latest Practicable Date, the total number of employees of Guangken Group was more than 29,000.

According to the consolidated audited report of the Guangken Group prepared in accordance with the general accepted accounting principles of the PRC, the total revenue of the Guangken Group for the year ended 31 December 2023 was approximately RMB26,883 million, of which approximately 51.0% and 12.4% was generated from the sales of rubber and sugar cane, respectively. As at 31 December 2023, its total assets was approximately RMB42,438 million.

INFORMATION OF GUANGKEN SINGAPORE

Guangken Singapore is a company established in Singapore in 2011 and is an indirect wholly-owned subsidiary of Guangken.

The principal business activities of Guangken Singapore involve the sales and trading of rubber in the PRC. According to the audited financial statement of Guangken Singapore prepared in accordance with the Singapore Standards on Auditing, the revenue of Guangken Singapore was approximately US\$12.1 million for the year ended 31 December 2023 and its total assets was approximately US\$174.7 million as at 31 December 2023.

INTENTION OF GUANGKEN SINGAPORE REGARDING THE GROUP

Guangken Singapore will continue to support the independent operation of the Company and maintain its listing status on the Stock Exchange. It is the intention of Guangken Singapore that the Company will continue its existing businesses in the provision of supporting services and sweetener business, cultivation of sugar cane and manufacturing of sugar and ethanol biofuel business and will maintain its listing status on the Stock Exchange following the close of the General Offer.

As noted from the annual report of the Company for the year ended 31 December 2023, the sugar business of the Company in Jamaica has faced a lot of difficult challenges during the year, including (i) the high cost structure of the sugar industry in Jamaica; (ii) the reduction in the new sugar cane planting activities affected by the COVID-19 pandemic; and (iii) labour shortage. Having considered one of the principal businesses of the Company is engaged in the growing of sugar canes and the manufacture of sugar, the services of which are complementary to the sugar cane production undertaken by Guangken, the Guangken Group, with its expertise in the sugar industry and its experience in managing the production and sales of sugar cane, will continue to provide full support to the Company and all kinds of technical supports in the areas of sugar cane plantation and sugar production in order to enlarge the production capacity, improve the efficiency, reduce production cost and enhance the long-term growth potential of the Company. On the other hand, Guangken Singapore believes that investing in the Company could create synergy effect to Guangken's business by expanding Guangken's scales of sugar production and sales to overseas jurisdictions with an aim to improve the overall financial condition of the Group. Guangken Singapore intends to leverage the synergies between Guangken and the Group to explore related business opportunities in the future. Hence it is in its commercial interests to invest in the Company in terms of the long-term commercial justification. As at the Latest Practicable Date, Guangken Singapore does not have any plan and/or intention to downsize or change the scale of the Group's existing principal businesses.

Upon the close of the General Offer, Guangken Singapore intends to nominate new director(s) to the Board with effect from a date which is no earlier than such date permitted under the Listing Rules and the Takeovers Code or such later date as Guangken Singapore considers to be appropriate in compliance with the Takeovers Code. Such new director(s) of the Board is expected to perform an assessment on whether there is a need for a change to the senior management of the Group and to conduct a detailed review on the business operations and financial position of the Group in order to formulate a long-term strategy for the Group, and propose any changes they deem necessary or appropriate to the Group's business and operations to enhance the value of the Group. As at the Latest Practicable Date, Guangken Singapore had not identified any potential candidate to be appointed as a new director to the Board. Any changes to the members of the Board will be made in compliance with the Takeovers Codes and/or the Listing Rules and further announcement(s) will be made as and when appropriate.

Subject to the results of the review, Guangken Singapore may explore other business opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group. As at the Latest Practicable Date, no investment or business opportunity has been identified nor have Guangken Singapore entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group, or disposal of or downsizing of the Group's existing business. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules.

As at the Latest Practicable Date, Guangken Singapore has no intention to terminate the employment of any employees of the Group or to make significant changes to any employment (except for a proposed change to the members of the Board at a time no earlier than that permitted under the Listing Rules and the Takeovers Code) or to acquire, dispose of or re-deploy the assets of the Group (other than those in its ordinary course of business).

PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY

It is the intention of Guangken Singapore that there will be a change in the composition of the Board. Guangken Singapore is in the process of identifying suitable personnel for the positions of executive Directors, non-executive Directors and independent non-executive Directors of the Company. Once the appointment of the new Directors is confirmed, further announcement(s) will be made setting out details of the appointment of such Directors in accordance with Rule 13.51(2) of the Listing Rules.

All appointments and resignations of Directors would be made in full compliance with the requirements of the Takeovers Code and further announcement(s) will be made by the Company in accordance with the requirements of the Listing Rules.

LISTING STATUS AND PUBLIC FLOAT OF THE COMPANY

Guangken Singapore intends to maintain the listing status of the issued Shares on the Stock Exchange following the close of the General Offer.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury shares), are held by the public, or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in the public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the Shares until the prescribed level of public float is restored.

Guangken Singapore intends the Company to remain listed on the Stock Exchange. The sole director of Guangken Singapore and the new directors to be appointed to the Board (if any) will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the Closing Date.

Guangken Singapore will undertake and will procure the Directors nominated by it to undertake to the Stock Exchange to take appropriate steps (which includes placing down of sufficient number of accepted Shares to ensure there will be not less than 25% of the Company's entire issued share capital held by the public in compliance with the Listing Rules and the Takeovers Code) to ensure that sufficient public float exists in the Shares after the close of the General Offer. Further announcement(s) will be made as and when necessary.

EXERCISE OF COMPULSORY ACQUISITION RIGHTS

Guangken Singapore does not intend to exercise any right which may be available to it to compulsorily acquire any outstanding Offer Shares not acquired under the General Offer after the close of the General Offer.

GENERAL


All documents and remittances will be sent to the Shareholders by ordinary post at their own risk. Such documents and remittances will be sent to them at their respective addresses as they appear in the register of members of the Company, or, in case of joint holders to the Shareholder whose name appears first in the

said register of members of the Company. None of the Offeror and parties acting in concert with it, GF Capital, GF Securities and their respective ultimate beneficial owners, directors, advisers, agents or associates or any other person involved in the General Offer will be responsible for any loss or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof. For further details, please see the paragraph headed "Overseas Shareholders" in this letter.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the General Offer set out in the appendices to this Offer Document and the accompanying Form of Acceptance, which form part of this Offer Document.

Yours faithfully,
For and on behalf of
GF Securities (Hong Kong) Brokerage Limited



Erica Law
Responsible officer