

**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.

A handwritten signature in black ink, consisting of a large, stylized 'M' followed by 'C' and 'C', all enclosed within a circular scribble.

**Ma Chin Chew**  
*Chairman, Executive Director and  
Chief Executive Officer*