

# HALCYON AGRI CORPORATION LIMITED

Company Registration No. 200504595D  
(Incorporated in the Republic of Singapore)

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## PROPOSED PLACEMENT OF 40,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF HALCYON AGRI CORPORATION LIMITED AT A PLACEMENT PRICE OF S\$0.5175 FOR EACH PLACEMENT SHARE

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### 1. INTRODUCTION

- 1.1 The Board of Directors (the "**Board**") of Halcyon Agri Corporation Limited (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to announce that the Company had on 15 May 2013, entered into a placement agreement (the "**Placement Agreement**") with Credence Capital Fund II (Cayman) Limited (the "**Placee**"). Pursuant to the Placement Agreement, the Company has agreed to allot and issue to the Placee, 40,000,000 new ordinary shares in the capital of the Company (the "**Placement Shares**" and each a "**Placement Share**") at an issue price of S\$0.5175 for each Placement Share (the "**Placement Price**"), amounting to an aggregate consideration of S\$20,700,000, and on the terms and conditions of the Placement Agreement (the "**Placement**").
- 1.2 There is no placement agent appointed for the purpose of this Placement.

### 2. THE PLACEMENT SHARES AND THE PLACEMENT PRICE

- 2.1 The Placement Shares, when issued and fully-paid, shall be free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with the ordinary shares in the capital of the Company (the "**Shares**") existing as at the date of issue of the Placement Shares save that they will not rank for any dividend, rights, allotments or other distributions, the record date of which falls on or before the date of completion of the allotment and issue of the Placement Shares.
- 2.2 The Placement Shares will be issued pursuant to the general share issuance mandate (the "**General Mandate**") granted to the Directors by shareholders of the Company by way of an ordinary resolution at the annual general meeting of the Company held on 23 April 2013 ("**2013 AGM**"), which authorises the Directors to allot and issue Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares) as at the date of the 2013 AGM, of which the aggregate number of Shares to be issued other than on a pro-rata basis to the existing Shareholders of the Company shall not exceed 50% of the total number of issued Shares (excluding treasury shares).
- 2.3 The number of issued Shares as at the date of the 2013 AGM was 290,000,000 Shares. No Shares were previously issued under the General Mandate prior to the Placement and as such, the total number of Shares that may be issued pursuant to the General Mandate is 290,000,000 Shares, of which the maximum number of Shares to be issued other than on a pro-rata basis is 145,000,000 Shares. The proposed allotment and issuance of the 40,000,000 Placement Shares will fall within the limits of the General Mandate.

- 2.4 Pursuant to the allotment and issue of the Placement Shares, the Company's issued and paid-up share capital will increase from 290,000,000 Shares as at the date of this announcement, to 330,000,000 Shares. The Placement Shares represent approximately 13.79% of the existing issued and paid-up share capital of the Company as at the date of this announcement and approximately 12.12% of the enlarged issued and paid-up share capital of the Company following the allotment and issuance of the Placement Shares.
- 2.5 The Placement Price was arrived at following arm's length negotiations between the Company and the Placee and represents a discount of approximately 9.39% to the weighted average price of S\$0.5711 for each Share, based on trades done on Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 14 May 2013 (being the last full market day prior to which the Placement Agreement was signed). The discount of 9.39% is within the 10% discount limit as stated in Rule 811(1) of the Listing Manual Section B: Catalist Rules of the SGX-ST (the "**Catalist Rules**").
- 2.6 The Placement would not result in any transfer of controlling interest in the Company.

### 3. INFORMATION ON THE PLACEE

- 3.1 The Company has not offered the Placement Shares for sale to, or procure subscriptions of or make an invitation for the Placement Shares to or by any person in the categories set out in Rule 812(1) of the Catalist Rules. Brief information relating to the Placee is set out below:

Name of Placee	Number of Placement Shares ('000)	Details on how the Placee was identified	Rationale for the Placee's subscription of the Placement Shares
Credence Capital Fund II (Cayman) Limited <sup>(1)</sup>	40,000	Introduced by the Company's Executive Chairman and Chief Executive Officer, Mr. Robert Meyer <sup>(2)</sup>	For investment purposes

(1) Credence Capital Fund II (Cayman) Limited is managed by Credence Partners Pte. Ltd. ("**Credence**") which was founded in 2006 by Koh Boon Hwee, Tan Chow Boon and Seow Kiat Wang. Credence Partners Pte. Ltd. is a Singapore-based private equity firm, which through its funds, provides growth stage capital in the manufacturing, Information Communication Technologies, Services, Logistics and Consumer sectors in the South East Asia region.

The partners have strong business backgrounds and bring with them vast operational experiences. They seek to add value through strategic planning, assisting portfolio companies in regional and global expansion, improving operational efficiencies and sourcing for key operational resources.

Investors of Credence Capital Fund II (Cayman) Limited comprise fund of funds, family offices, corporations and high net worth individuals.

- (2) No commission or other payment was made by the Company to Mr. Robert Meyer for introducing the Placee to subscribe for the Placement Shares or otherwise.

The Placement Shares are placed to the Placee as it has indicated an interest to invest in the Company. The Company is impressed with the individuals behind Credence, namely Mr. Koh Boon Hwee, Mr. Tan Chow Boon and Mr. Seow Kiat Wang, and their successful track record in building industrial manufacturing businesses in South East Asia. As the Company expands its operations across selected South East Asian economies, the individual and collective networks and experience of the Credence team will be an additional source of value.

The Placee has no connection (including business relationships) with the Company, its Directors and substantial shareholders, and are not persons to whom the Company is prohibited from issuing shares to, as provided for under Rule 812 of the Catalist Rules. As at the date of this announcement, the Placee does not hold any Shares in the Company.

#### 4. **CONDITIONS OF THE PLACEMENT**

4.1 The Placement is conditional upon, *inter alia*, the following conditions:-

- (a) the receipt by the Company of the listing and quotation notice from the SGX-ST for the listing of and quotation for the Placement Shares on Catalist (the “**Listing Approval**”) being obtained and such approval not having been revoked or amended and, where such approval is subject to conditions, (which are not normally imposed by the SGX-ST for a transaction of a similar nature), such conditions being acceptable to the Placee and, to the extent that any conditions for such approval are required to be fulfilled on or before the completion of the Placement, they are so fulfilled or waived by the SGX-ST;
- (b) the issue and subscription of the Placement Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the Placement Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company;
- (c) there having been, as at the date of completion of the Placement, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any respect any of the warranties contained in the Placement Agreement as if they were repeated on and as of the aforesaid date; and
- (d) the completion of a due diligence exercise by the Placee with regards to the Group and the Group’s operations, and the Placee being reasonably satisfied with the results of such due diligence.

4.2 Subject to the satisfaction (or waiver by the Placee) of the conditions precedent set out in the Placement Agreement, completion of the Placement shall take place on or before the 30<sup>th</sup> business day following the date of the Placement Agreement (or such later date as the Company and the Placee may agree in writing).

## **5. RATIONALE FOR THE PLACEMENT AND USE OF PROCEEDS**

- 5.1 The Board believes that the Placement will help strengthen the capital base of the Company as well as fund the growth and expansion of business.
- 5.2 The Placement will raise gross proceeds of approximately S\$20.7 million and these proceeds will be applied solely for strategic purposes, such as acquisitions and investments. The funds are not to be used for the Company's general working capital requirements.
- 5.3 The Company will make periodic announcements on the utilisation of the placement proceeds as and when they are materially disbursed, and provide a status report on the use of the placement proceeds in the Company's quarterly and full-year financial statements issued under Rule 705 of the Catalist Rules and the Company's annual report.

## **6. NO PROSPECTUS OR OFFER INFORMATION STATEMENT**

- 6.1 The Placement will be undertaken by way of private placement in accordance with Section 272B of the Securities and Futures Act (Cap. 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection therewith.

## **7. ADDITIONAL LISTING CONFIRMATION**

- 7.1 The sponsor of the Company, PrimePartners Corporate Finance Pte. Ltd., will make an application on behalf of the Company to the SGX-ST for the Listing Approval.
- 7.2 The Company will make the necessary announcements once the Listing Approval has been obtained from the SGX-ST.

## **8. CONFIRMATION**

- 8.1 The Directors of the Company are of the opinion that, after taking into consideration the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements, and that the reason for the Placement is to fund the growth and expansion of business.

## **9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

- 9.1 None of the Directors (other than in his capacity as a Director or shareholder of the Company) or the substantial shareholders of the Company or their respective associates has any interest, direct or indirect, in the Placement.

## **10. RESPONSIBILITY STATEMENT**

- 10.1 The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Placement, the

Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

## 11. CAUTIONARY STATEMENT

- 11.1 Shareholders of the Company and potential investors should exercise caution when trading in the shares of the Company, and where in doubt as to the action they should take, they should consult their financial, tax or other advisors.

By Order of the Board

Robert Meyer  
Executive Chairman and CEO  
15 May 2013

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*The Company was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 1 February 2013. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor").*

*This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Mr Mark Liew, Managing Director, Corporate Finance, at 20 Cecil Street, #21-02 Equity Plaza, Singapore 049705, telephone (65) 6229 8088.*