

HALCYON AGRI CORPORATION LIMITED

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

PRE-CONDITIONAL MANDATORY CASH OFFER FOR HALCYON AGRI CORPORATION LIMITED

1. INTRODUCTION

The Board of Directors of Halcyon Agri Corporation Limited (“**HAC**” or the “**Company**”) wishes to inform shareholders of the Company (the “**Shareholders**”) that Australia and New Zealand Banking Group Limited, Singapore Branch (“**ANZ**”), acting for and on behalf of Sinochem International (Overseas) Pte. Ltd. (the “**Offeror**”), has today issued an announcement (the “**Pre-Conditional Offer Announcement**”) in respect of a mandatory conditional cash offer for all the issued and paid-up ordinary shares in the capital of the Company (the “**HAC Shares**”) that are not already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror (the “**HAC MGO**”).

The Offeror is a direct wholly-owned subsidiary of Sinochem International Corporation, a company incorporated in the People’s Republic of China and listed on the Shanghai Stock Exchange.

2. THE OFFER

Details on the terms and conditions of the HAC MGO are set out in the Pre-Conditional Offer Announcement, a copy of which is annexed to this announcement as **Appendix A**. According to the Pre-Conditional Offer Announcement, the formal offer document containing the terms and conditions of the HAC MGO (the “**Offer Document**”) will be despatched to Shareholders not earlier than 14 days and not later than 21 days from the date of the Formal Offer Announcement (as defined below).

SHAREHOLDERS SHOULD NOTE THAT, AS STATED IN THE PRE-CONDITIONAL OFFER ANNOUNCEMENT, THE HAC MGO WILL NOT BE MADE UNLESS AND UNTIL SATISFACTION OR WAIVER OF THE CONDITIONS PRECEDENT AS SET OUT IN SECTION 3.1 OF THE PRE-CONDITIONAL OFFER ANNOUNCEMENT (“**CONDITIONS PRECEDENT**”) HAVE OCCURRED. ACCORDINGLY, ALL REFERENCES TO THE HAC MGO IN THE PRE-CONDITIONAL OFFER ANNOUNCEMENT REFER TO THE POSSIBLE OFFER WHICH WILL ONLY BE MADE IF AND WHEN THE CONDITIONS PRECEDENT ARE SATISFIED OR WAIVED.

According to the Pre-Conditional Offer Announcement, if and when the Conditions Precedent are fulfilled or waived, ANZ, for and on behalf of the Offeror, will announce the firm intention on the part of the Offeror (the “**Formal Offer Announcement**”) to make the HAC MGO. In the event that the Conditions Precedent are not fulfilled or waived by the Long-Stop Date (as defined in section 3.3 of the Pre-Conditional Offer Announcement), the HAC MGO will not be made and ANZ will issue an announcement, for and on behalf of the Offeror, confirming that fact as soon as reasonably practicable thereafter.

3. APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

If and when the HAC MGO is made, the Board of Directors of the Company will appoint an independent financial adviser to advise the Directors of the Company who are considered independent for the purposes of the HAC MGO (the “**Independent Directors**”). A circular containing the advice of the independent financial adviser and the recommendation of the Independent Directors on the HAC MGO (the “**Offeree Circular**”) will be issued.

will be sent to Shareholders within 14 days from the date of despatch of the Offer Document to be issued by the Offeror.

In the meantime, Shareholders are advised to refrain from taking any action in relation to their HAC Shares which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations of the Independent Directors, as well as the advice of the independent financial adviser, which will be set out in the Offeree Circular to be issued (if and when the HAC MGO is made) in due course.

4. **RESPONSIBILITY STATEMENT**

The Board of Directors of the Company (including those who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate and, where appropriate, no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Pre-Conditional Offer Announcement), the sole responsibility of the Directors of the Company has been to ensure, through reasonable enquiries, that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this announcement.

By Order of the Board

Pascal Demierre
Executive Director
28 March 2016

PRE-CONDITIONAL MANDATORY CASH OFFER

by

**AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED,
SINGAPORE BRANCH**



(Australian Company No.:005357522)
(Incorporated in Australia)

for and on behalf of

SINOCHEM INTERNATIONAL (OVERSEAS) PTE. LTD.

(Company Registration No.: 200305994Z)
(Incorporated in the Republic of Singapore)

a direct wholly-owned subsidiary of

SINOCHEM INTERNATIONAL CORPORATION

(Company Registration No.: 913100007109235395)
(Incorporated in the People's Republic of China)

to acquire all the issued and paid-up ordinary shares in the capital of

HALCYON AGRI CORPORATION LIMITED

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

other than those already owned, controlled or agreed to be acquired by
Sinochem International (Overseas) Pte. Ltd. and parties acting in concert with it

1. INTRODUCTION

1.1 The Offer

Australia and New Zealand Banking Group Limited, Singapore Branch ("**ANZ**") wishes to announce, for and on behalf of Sinochem International (Overseas) Pte. Ltd. ("**Offeror**"), that subject to the fulfillment of the Conditions Precedent (as defined in Section 2.2 below), the Offeror will make a mandatory conditional cash offer ("**HAC MGO**") for all the issued and paid-up ordinary shares ("**HAC Shares**") in the capital of Halcyon Agri Corporation Limited ("**HAC**") other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror.

The Offeror is a direct wholly-owned subsidiary of Sinochem International Corporation ("**Sinochem**"), a company incorporated in the People's Republic of China ("**PRC**") and listed on the Shanghai Stock Exchange. Further information on the Offeror and Sinochem is set out in Section 7 below.

1.2 Holdings

As at the date of this Announcement ("**Announcement Date**"), the Offeror and the other Relevant Persons (as defined in Section 11.1 below) do not own or control, directly or indirectly, any HAC Shares.

2. PROPOSED MERGER

2.1 Proposed Merger

In connection with the proposed merger of the natural rubber assets of both Sinochem and HAC to form the world's largest natural rubber company ("**Proposed Merger**"), HAC, certain HAC shareholders, Sinochem and the Offeror had on the Announcement Date entered into certain agreements amongst themselves as follows:

- (a) acquisition by the Offeror of an aggregate of 30.07% of the issued HAC Shares ("**Vendor Shareholders Sale**") from certain HAC shareholders (as more particularly described in Section 2.2 below), whereby completion of the Vendor Shareholders Sale ("**Completion**") is conditional upon the conditions precedent to the sale and purchase agreements ("**Vendor SPAs**") having been fulfilled (and/or waived in accordance with the Vendor SPAs, to the extent legally permissible). Pursuant to the implementation agreement entered into by and among HAC and the Offeror on the Announcement Date ("**Implementation Agreement**"), upon Completion taking place, the Offeror will make the HAC MGO, being a mandatory general offer for all HAC Shares other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror, in accordance with Rule 14 of The Singapore Code on Take-overs and Mergers ("**Code**");
- (b) subsequent to completion of the HAC MGO and pursuant to the Implementation Agreement, HAC will acquire a majority stake in GMG Global Ltd ("**GMG**"), a company listed on the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), by making a voluntary general offer for all the shares in GMG other than those already owned, controlled or agreed to be acquired by HAC in accordance with Rule 15 of the Code ("**GMG VGO**"), upon the fulfillment of all the pre-conditions to the GMG VGO, the consideration of which is to be satisfied by the allotment and issuance of 0.9333 new fully paid-up HAC Shares for every one GMG share; and
- (c) upon or shortly after completion of the GMG VGO and subject to the satisfaction of certain conditions, HAC will acquire from SIO all the shares in a company to be incorporated by SIO, which company will own certain other companies which conduct natural rubber processing and trading businesses ("**NR Assets**"), for an aggregate consideration amount of S\$210,000,000 which is to be satisfied by the allotment and issuance of 280,000,000 new fully paid-up HAC Shares ("**NR Assets Acquisition**"),

(collectively, the "**Proposed Transactions**").

The Proposed Transactions are expected to complete in the third quarter of 2016. Sinochem and parties acting in concert with it will hold at least 60% of HAC's enlarged share capital upon completion of the Proposed Transactions.

2.2 Vendor Shareholders Sale

On the Announcement Date, the Offeror entered into Vendor SPAs with five HAC shareholders, namely Angsana Capital Ltd., Clear Tower Investments Limited, Mr Pascal Guy Chung Wei Demierre, Mr Andrew Trevatt and Mr Leonard Beschizza ("**Vendor Shareholders**") in relation to the sale of HAC Shares by the Vendor Shareholders to the Offeror in respect of an aggregate of 180,439,576 HAC Shares, representing approximately 30.07% of the total issued HAC Shares ¹.

Completion of the Vendor Shareholders Sale is subject to the fulfillment of the conditions precedent set out in Section 3.1 below ("**Conditions Precedent**").

The HAC MGO will not be made unless and until the Conditions Precedent are fulfilled and/or waived (as the case may be) and Completion occurs. Accordingly, all references to the HAC MGO in this Announcement refer to the pre-conditional mandatory general cash offer which will only be made if and when the Conditions Precedent are fulfilled and/or waived (as the case may be) and Completion occurs in accordance with the terms of the Vendor SPAs.

Shareholders of HAC should exercise caution and seek appropriate independent advice when dealing in the HAC Shares.

3. PRE-CONDITION TO THE MAKING OF THE HAC MGO

3.1 Conditions Precedent

It is a pre-condition to the making of the HAC MGO that the Vendor Shareholders Sale is completed on the terms of the Vendor SPAs and upon the following Conditions Precedent having been fulfilled (or waived in accordance with the Vendor SPAs, to the extent legally permissible):

- (a) the GMG VGO and the NR Assets Acquisition being approved by the HAC shareholders at an extraordinary general meeting to be convened by HAC ("**HAC EGM**") for the purpose of, amongst other things, considering, and if thought fit, approving the GMG VGO and the NR Assets Acquisition;
- (b) all requisite approvals, conditions, clearances, filings and/or rulings being obtained and complied with in relation to the transactions contemplated under the Vendor Shareholders Sale, HAC MGO, GMG VGO and NR Assets Acquisition from the following: (i) all relevant competition authorities, (ii) the SGX-ST, (iii) the Securities Industry Council of Singapore ("**Council**"), (iv) the Committee on Foreign Investment in the United States, (v) the Ministry of Commerce of the PRC and/or its local counterparts, (vi) the National Development and Reform Commission of the PRC and/or its local counterparts, (vii) the Sinochem Group (as a PRC state-owned enterprise) ², (viii) the State-owned Assets Supervision and Administration

¹ Unless otherwise stated, references in this Announcement to the total number of issued HAC Shares are based on 600,092,000 HAC Shares in issue (based on a search conducted at the Accounting and Corporate Regulatory Authority of Singapore on the Announcement Date).

² The approval to be given by Sinochem Group (the ultimate parent company of SIO and SIC) as a PRC state-owned Central Enterprise, is considered as a PRC governmental approval given pursuant to PRC regulations on the *Interim Measures on the Administration of Overseas State-owned Properties of Central Enterprises* (中央企业境外国有产权管理暂行办法) and *Interim Measures on the Supervision and Administration of Overseas State-owned Assets of Central Enterprises* (中央企业境外国有资产监督管理暂行办法).

Commission of the State Council (SASAC) of the PRC, (ix) the State Administration of Foreign Exchange (SAFE) of the PRC and/or its local counterparts, (x) the State Administration of Taxation (SAT) of the PRC and/or its local counterparts, and (xi) the State Administration of Industry and Commerce (SAIC) of the PRC and/or its local counterparts;

- (c) waivers being obtained from the requisite majority of bondholders attending the necessary bondholders meeting to be convened in respect of the S\$300,000,000 multicurrency debt issuance programme of HAC established on 25 April 2014 ("**HAC MTN Programme**")³ in relation to compliance with the financial covenants stipulated under the HAC MTN Programme for the financial period up to 31 July 2017; and
- (d) consent being obtained from the lenders under the US\$288,000,000 Facilities Agreement (being the bridge facilities agreement dated 5 August 2014 as amended by an Amendment Agreement dated 31 December 2014 and further amended and restated by an Amendment and Restatement Agreement dated 26 June 2015 and a Second Amendment and Restatement Agreement dated 18 November 2015) (collectively, "**Facilities Agreement**")⁴ in respect of the transactions contemplated in the HAC MGO, GMG VGO and NR Assets Acquisition, and waivers of: (i) any existing or subsequent breach relating to or in connection with compliance of the financial covenants under Clause 24.2 of the Facilities Agreement for a period of 9 calendar months following the closing date of the GMG VGO and completion of the NR Assets Acquisition, whichever is later; and (ii) any cessation of listing of HAC under Clause 26.19 of the Facilities Agreement subsequent to the closing date of the GMG VGO and completion of the NR Assets Acquisition, whichever is later.

3.2 Completion of the Vendor Shareholders Sale

Subject to the fulfillment (or waiver in accordance with the Vendor SPAs, to the extent legally permissible) of all the Conditions Precedent:

- (a) completion of the Vendor Shareholders Sale in respect of each Vendor SPA shall take place on the fifth business day following the fulfilment of the last Conditions Precedent (or at such other date as may be agreed between the parties to the Vendor SPAs), and shall be subject to concurrent completion of the sale and purchase of HAC Shares under the other Vendor SPAs; and
- (b) upon completion of the Vendor Shareholders Sale, the Offeror will own an aggregate of 180,439,576 HAC Shares, representing approximately 30.07% of the total number of issued HAC Shares.

3.3 Long-Stop Date

Pursuant to the terms of the Vendor SPAs, the long-stop date for the fulfilment of the Conditions Precedent is 30 September 2016 or such other date as the parties shall mutually agree in writing ("**Long-Stop Date**"). If the Conditions Precedent are not fulfilled and/or waived (as the case may be) on or before the Long-Stop Date or such other date as

³ Pursuant to the HAC MTN Programme, S\$125,000,000 6.50 per cent. notes due 2019 (ISIN: SG6SC1000002) have been issued by HAC on 31 July 2014, and listed on the SGX-ST on 1 August 2014.

⁴ Pursuant to the Amendment Agreement, the Amendment and Restatement Agreement and the Second Amendment and Restatement Agreement, the facility extended under the Facility Agreement was, inter alia, increased to US\$388,000,000.

the parties shall mutually agree in writing, the Vendor SPAs (save for provisions which relate to costs and expenses and confidentiality) shall *ipso facto* cease and determine and neither party shall have any claim against the other for costs, damages, compensation or otherwise.

3.4 Rulings by Council

In accordance with the Code, the Conditions Precedent shall not be invoked to cause the HAC MGO to lapse unless (i) the Offeror has demonstrated reasonable efforts to fulfil the Conditions Precedent within the time frame specified (i.e. the long-stop date of 30 September 2016 under the Vendor SPAs) and (ii) the circumstances that give rise to the right to invoke the Conditions Precedent are material in the context of the proposed transactions.

The Council has on 18 March 2016 confirmed that it has no objections to the HAC MGO being subject to the Conditions Precedent. The Council's confirmation is subject to HAC's independent directors stating in the announcement and circular to its shareholders relating to the GMG VGO and NR Assets Acquisition that the Conditions Precedent are in the best interests of HAC and its shareholders.

3.5 Formal Offer Announcement

If and when the Conditions Precedent are fulfilled (or waived in accordance with the Vendor SPAs, to the extent legally permissible) and upon Completion having occurred, ANZ, for and on behalf of the Offeror, will announce the firm intention on the part of the Offeror ("**Formal Offer Announcement**") to make the HAC MGO.

The formal offer document containing the terms and conditions of the HAC MGO ("**Offer Document**") will thereafter be despatched to HAC shareholders not earlier than 14 days and not later than 21 days from the date of the Formal Offer Announcement, if any. **However, in the event that any of the Conditions Precedent are not fulfilled (or waived in accordance with the Vendor SPAs, to the extent legally permissible) on or before the Long-Stop Date, the HAC MGO will not be made and ANZ will issue an announcement, for and on behalf of the Offeror, confirming that fact as soon as reasonably practicable thereafter.**

4. TERMS OF THE HAC MGO

Subject to and contingent upon the fulfillment (or waiver in accordance with the Vendor SPAs, to the extent legally permissible) of all the Conditions Precedent and the terms and conditions to be set out in the Offer Document, the Offeror will make the HAC MGO for all the HAC Shares other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it ("**Offer Shares**") in accordance with Rule 14 of the Code on the following basis:

(a) **Offer Price.** The consideration for each Offer Share will be as follows:

For each Offer Share: S\$0.75 in cash ("Offer Price")

(b) **No Encumbrances.** The Offer Shares will be acquired:

(i) fully paid-up;

(ii) free from all liens, equities, mortgages, charges, encumbrances, rights of

pre-emption and other third party rights and interests of any nature whatsoever; and

- (iii) together with all rights, benefits and entitlements attached thereto as at the date of the Formal Offer Announcement and thereafter attaching thereto (including the right to receive and retain all dividends, rights and other distributions or return of capital, if any, which may be announced, declared, paid or made thereon by HAC) on or after the date of the Formal Offer Announcement.

If any dividend, right or other distribution or return of capital is announced, declared, paid or made by HAC on or after the Announcement Date, the Offeror reserves the right to reduce the Offer Price by an amount equivalent to such dividend, right, other distribution or return of capital.

- (c) **Minimum Acceptance Condition.** The HAC MGO, if and when made, will be conditional upon the Offeror having received, by the close of the HAC MGO, valid acceptances in respect of such number of Offer Shares which, when taken together with the HAC Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (either before or during the HAC MGO and pursuant to the HAC MGO or otherwise), will result in the Offeror and parties acting in concert with it holding such number of HAC Shares carrying more than 50% of the voting rights attributable to the issued HAC Shares (excluding any HAC Shares held in treasury) as at the close of the HAC MGO ("**Minimum Acceptance Condition**").

The HAC MGO will not become or be capable of being declared unconditional in accordance with its terms unless the Minimum Acceptance Condition is satisfied.

As at the Announcement Date, the Offeror has procured irrevocable undertakings from the Undertaking Shareholders (as described in Section 6.1 below) to ensure, *inter alia*, that the HAC MGO becomes unconditional as to acceptances. Further information on the irrevocable undertakings is set out in Section 6 below.

5. FINANCIAL EVALUATION OF THE PRE-CONDITIONAL HAC MGO

The Offer Price represents the following premium over or discount to the historical transacted prices of the HAC Shares on the SGX-ST:

	Benchmark Price (S\$)	Premium over / (Discount to) Benchmark Price %
Volume-weighted average price (" VWAP ") per HAC Share on 23 March 2016 prior to the trading halt on HAC Shares, being the last trading day preceding the Announcement Date	0.727	3.2
Last transacted price per HAC Share on 11 January 2016 ⁵	0.635	18.1

⁵ 11 January 2016 was the last full market day before news articles were published asserting that HAC was in discussions with Sinochem on a potential transaction.

	Benchmark Price (S\$)	Premium over / (Discount to) Benchmark Price %
Last transacted price per HAC Share on 8 September 2015 ⁶	0.605	24.0
VWAP per HAC Share for the one month period up to and including 8 September 2015	0.491	52.6
VWAP per HAC Share for the three month period up to and including 8 September 2015	0.581	29.0
VWAP per HAC Share for the six month period up to and including 8 September 2015	0.692	8.3
VWAP per HAC Share for the twelve month period up to and including 8 September 2015	0.665	12.8

Source: Bloomberg L.P.

6. IRREVOCABLE UNDERTAKINGS

6.1 Irrevocable Undertakings by HAC Shareholders

As at the Announcement Date, certain HAC shareholders have provided the following irrevocable undertakings to the Offeror ("**Shareholders Undertakings**"):

- (a) **Undertaking to Vote.** The Vendor Shareholders, Mr Goi Seng Hui and Credence Capital Fund II (Cayman) Limited (collectively "**Undertaking Shareholders**") who collectively own an aggregate of 376,439,576 HAC Shares, representing approximately 62.73% of the total issued HAC Shares, have undertaken to vote in favour of the ordinary resolutions relating to the GMG VGO and the NR Assets Acquisition in respect of all of their HAC Shares at the HAC EGM; and
- (b) **Undertaking in respect of the HAC MGO.** The Undertaking Shareholders have undertaken not to accept the HAC MGO in respect of any of their HAC Shares. However, in the event the acceptances by other HAC shareholders immediately prior to the close of the HAC MGO when aggregated with the HAC Shares held by the Offeror, is less than 53.98% of the total issued HAC Shares, the Undertaking Shareholders (**except** Credence Capital Fund II (Cayman) Limited) shall tender the requisite number of HAC Shares in acceptance of the HAC MGO which would result in the Offeror and its concert parties holding at least 53.98% of the total issued and paid-up share capital in HAC as at the close of the HAC MGO (which is equivalent to 323,939,576 HAC Shares assuming that HAC did not issue any new HAC Shares from the Announcement Date until the closing date of the HAC MGO) ("**HAC MGO Undertakings**").

For illustrative purposes only, based on the assumption that none of the other HAC

⁶ 8 September 2015 was the last full market day preceding the date whereby the SGX-ST posed queries to HAC in relation to unusual trading activity in HAC Shares on 9 September 2015.

shareholders accept the HAC MGO, the maximum number of HAC Shares to be tendered by each Undertaking Shareholder (**except** Credence Capital Fund II (Cayman) Limited) pursuant to the HAC MGO Undertakings is set out below:

No.	Name of HAC Shareholder	Number of HAC Shares Undertaken	Percentage of HAC Shares (%)
1.	Angsana Capital Ltd. ⁷	55,000,000	9.17
2.	Clear Tower Investments Limited	40,000,000	6.67
3.	Mr Goi Seng Hui	25,000,000	4.17
4.	Mr Pascal Guy Chung Wei Demierre	10,500,000	1.75
5.	Mr Andrew Trevatt	9,000,000	1.50
6.	Mr Leonard Beschizza	4,000,000	0.67
Total number of HAC Shares in relation to the HAC MGO Undertakings:		143,500,000	23.91

Pursuant to the HAC MGO Undertakings, the Offeror and its concert parties will hold at least 53.98% of the total issued and paid-up share capital in HAC, as at the close of the HAC MGO.

The Shareholders Undertakings provide certainty to the HAC shareholders that the HAC MGO will become unconditional as to acceptances.

7. INFORMATION ON THE OFFEROR AND SINOCHEM

7.1 The Offeror

The Offeror is a private limited company incorporated and domiciled in Singapore. The Offeror is a direct wholly-owned subsidiary of Sinochem, a company which is incorporated in the PRC and listed on the Shanghai Stock Exchange. The principal activities of the Offeror consist of both investment holding and the trading of plastics, chemicals, rubber, petrochemical, metallurgical and other products.

As at the Announcement Date, the Offeror has an issued share capital of S\$268,040,902 comprising 268,040,902 issued ordinary shares.

As at the Announcement Date, the directors of the Offeror are Mr Liu Xiang, Mr Li Dajun, Mr Qin Jinke and Mr Cheng Ruimin.

As at the Announcement Date, the Offeror owns 391,593,237 GMG shares, representing approximately 51.12% of the total issued and paid-up share capital of GMG.

7.2 Sinochem

Sinochem is a large state-owned holding company in the PRC, listed on the Shanghai Stock Exchange. It is a diversified international conglomerate which specialises in trading, manufacturing and transportation of chemicals (including agricultural and horticultural),

⁷ Mr Robert Gunther Meyer is deemed interested in all HAC Shares held by Angsana Capital Ltd., a company indirectly-owned by Mr Robert Gunther Meyer.

plastics, rubber and metallurgy products. Sinochem is the top distributor and one of the largest producers of natural rubber in the PRC with customers from over 100 countries and regions worldwide.

As at the Announcement Date, Sinochem has an issued share capital of RMB 2,083,012,671, comprising 2,083,012,671 shares, of which 55.35% is held by Sinochem Corporation.

As at the Announcement Date, the directors of Sinochem are Mr Zhang Zenggen, Mr Yang Lin, Mr Qin Hengde, Mr Cui Yan, Mr Lan Zhongkai, Mr Zhu Hongchao, Mr Xu Jingchang.

Additional information on Sinochem can be found at its website at <http://www.sinochemintl.com>.

8. INFORMATION ON HAC

HAC is incorporated in Singapore and listed on the Main Board of the SGX-ST. It is a global natural rubber supply chain manager. HAC's business activities span the entire natural rubber supply chain and are organised around three key stages of activity: origination, production and distribution. HAC produces high quality natural rubber at its 14 processing facilities in Indonesia and Malaysia. It sells its own products and products procured from third parties to an extensive customer base of the world's top tyre producers and hundreds of industrial manufacturers. HAC's distribution network is extensive, comprising sales offices and logistics assets spanning South East Asia, the PRC, South Africa, the United States of America and Europe. HAC is one of the top five natural rubber companies globally, with a production capacity of 748,000 tonnes and a distribution capability in excess of one million tonnes.

Based on a search conducted at the Accounting and Corporate Regulatory Authority of Singapore on the Announcement Date, HAC has an issued and paid-up share capital of S\$210,039,652.40 comprising 600,092,000 issued HAC Shares. Pending completion of the Proposed Transactions (and other than arising from the Proposed Transactions itself), there shall not be any change to the number of issued HAC Shares nor shall any company in the HAC Group (as defined in Section 9.1(h) below) issue any instruments convertible or exchangeable into HAC Shares).

As at the Announcement Date, the directors of HAC are Mr Robert Gunther Meyer, Mr Pascal Guy Chung Wei Demierre, Mr Alan Rupert Nisbet, Mr Khoo Boo Teck Randolph and Mr Liew Choon Wei.

Additional information on HAC can be found at its corporate website at <http://www.halcyonagri.com/>.

9. RATIONALE FOR THE PROPOSED MERGER

9.1 Rationale

The Offeror believes that the Proposed Merger would be in the best interest of HAC for the following reasons:

- (a) **The Proposed Merger is consistent with Sinochem's and HAC's strategy of establishing a leading global natural rubber supply chain manager**

The Proposed Merger would result in the combination of highly complementary assets under HAC with HAC becoming the flagship of Sinochem Group's natural rubber businesses. The combination of HAC, GMG and Sinochem's other non-listed natural rubber businesses through the Proposed Merger will form the world's largest natural rubber company and, in so doing, generate significant value creation opportunities for ongoing shareholders. This is consistent with Sinochem's business strategy to rationalise its existing natural rubber operations, increase shareholder value and build a leading global natural rubber supply chain platform.

(b) **The Proposed Merger significantly enhances the scale and market position of HAC in each segment of the natural rubber supply chain**

The Proposed Merger will create a world leading global natural rubber enterprise, with market leading competency in each part of the supply chain including plantation, processing and distribution.

In the upstream/plantations segment, the Proposed Merger will increase the total plantation land held by HAC by more than 21 times to in excess of 153,000 hectares and significantly increase the planted area held by HAC to in excess of 22,000 hectares.

In the midstream/processing segment, the Proposed Merger will increase the total processing capacity of HAC by about 100% to approximately 1.5 million tonnes per annum, making HAC the world's largest producer of Technically Specified Rubber ("TSR"), in terms of production capacity.

In the downstream/distribution segment, the Proposed Merger will increase HAC's annual distribution capability by approximately 100% to 2.0 million tonnes per annum.

(c) **The Proposed Merger combines complementary business operations and expertise of Sinochem and HAC to realise potential synergies**

The Proposed Merger will add complementary business operations of GMG and the NR Assets as well as operating expertise to HAC. Sinochem, with 60 years of operating history in the natural rubber business, brings a wealth of expertise in the management of rubber plantations, operation of natural rubber processing facilities and distribution of natural rubber to customers. It is expected that, over time, there will be synergistic opportunities through common corporate infrastructure, sharing best practices and economies of scale.

(d) **The Proposed Merger broadens the geographic scope of HAC's operations and product offering**

HAC currently produces TSR of Indonesian and Malaysian origin for sale to its customers. The Proposed Merger would broaden HAC's operations and product offering significantly by adding the production of TSR of Chinese, Thai and African origins, as well as increasing the number of grades of natural rubber that HAC can produce. As a result, following completion of the Proposed Merger, HAC's operations would cover the vast majority of rubber producing regions in the world and give it a comprehensive product suite to offer its customers.

(e) **The Proposed Merger extends the distribution reach of HAC into the PRC**

The combined business will benefit from a significantly enhanced market presence

in the PRC. The PRC is the world's largest consumer of natural rubber, accounting for approximately 4,820,000 tonnes of natural rubber consumption in 2015, which is approximately 39.0% of the world consumption. To date, only a relatively small portion of HAC's total sales volume has been attributed to PRC customers. The Proposed Merger extends HAC's distribution reach into the PRC, providing a comprehensive network of sales offices and an extensive customer base.

(f) **The Proposed Merger increases the vertical integration of HAC across the natural rubber supply chain**

The Proposed Merger will provide HAC with a significant and growing production of natural rubber sourced from owned plantations. In an environment of increasing customer emphasis on sustainability and corporate social responsibility, the ability to control the supply chain from the natural rubber tree through to processing, combined with HAC's global distribution network provides the potential to give customers a premium product offering which aligns with their own sustainability and responsibility agendas.

(g) **Enhancement of the investment and credit profiles of HAC in the financial markets**

The Proposed Merger are expected to enhance the profile of HAC in the equity and debt capital markets with Chinese state-owned enterprise Sinochem becoming HAC's major shareholder, thus enabling a potential significant increase in the market capitalisation of HAC to become a sizeable listed natural rubber company. This would in turn, enable HAC to potentially attract more extensive research coverage and may possibly lead to an overall increase in investor interest and trading liquidity in the HAC Shares.

(h) **The Proposed Merger represents an efficient and fair basis upon which to combine the relevant assets of HAC, GMG and the NR Assets**

The proposed merger of HAC and its subsidiaries ("**HAC Group**"), GMG and Sinochem's other non-listed natural rubber businesses, will enable the combined businesses, as the enlarged HAC entity, to compete more advantageously with other international natural rubber players. The Proposed Transactions represent the most efficient and fair basis upon which to combine the relevant assets of HAC, GMG and the NR Assets, and provide:

- certainty that all of Sinochem's natural rubber assets will be controlled by HAC;
- certainty that the Offeror will be the controlling shareholder, owning in excess of 50.1% of the enlarged HAC entity;
- choice for HAC shareholders, to continue to remain as a shareholder of the enlarged HAC entity or to sell their HAC Shares for cash (see also Section 5 above); and
- choice for GMG shareholders, to invest in the enlarged HAC entity by exchanging GMG shares into new HAC Shares or to continue to remain a shareholder of GMG (or to sell their GMG shares in the market for cash consideration).

9.2 Intention of the Offeror

Save in connection with the integration and consolidation of the businesses of HAC, GMG and the NR Assets, the Offeror currently has no intentions to (i) introduce any major changes to the existing business or management of the HAC Group, (ii) discontinue the employment of the employees of the HAC Group, or (iii) re-deploy any of the fixed assets of HAC Group, other than in the ordinary course of business. The Offeror however retains the flexibility at any time to consider any options or opportunities in relation to HAC which may present themselves and which the Offeror may regard to be in the best interests of the Offeror or the HAC Group.

10. LISTING STATUS AND COMPULSORY ACQUISITION

10.1 Listing Status

Pursuant to Rule 1105 of the Listing Manual of the SGX-ST ("**Listing Manual**"), upon an announcement by the Offeror that acceptances have been received pursuant to the HAC MGO that bring the holdings owned by the Offeror and its concert parties to above 90% of the total number of issued HAC Shares (excluding treasury shares), the SGX-ST may suspend the trading of the HAC Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of issued HAC Shares (excluding treasury shares) are held by at least 500 HAC shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued HAC Shares (excluding treasury shares), thus causing the percentage of the total number of issued HAC Shares (excluding treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the HAC Shares only at the close of the HAC MGO.

In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of issued HAC Shares (excluding treasury shares) held in public hands falls below 10%, HAC must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the HAC Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow HAC a period of three months, or such longer period as the SGX-ST may agree, to raise the percentage of HAC Shares (excluding treasury shares) in public hands to at least 10%, failing which HAC may be removed from the official list of the SGX-ST.

It is the current intention of the Offeror to maintain the listing status of HAC on the SGX-ST following completion of the HAC MGO. However, in the event that the trading of the HAC Shares on the SGX-ST is suspended pursuant to Rule 724 or 1105 of the Listing Manual, the Offeror reserves the right to undertake or support any action as may be necessary for any such listing suspension by the SGX-ST to be lifted.

In this regard, HAC shareholders should also note the undertakings by the Undertaking Shareholders not to accept the HAC MGO in respect of any of their HAC Shares save for the specific circumstance set out in Section 6.1(b) above.

10.2 Compulsory Acquisition

Pursuant to the HAC MGO Undertaking, as the Undertaking Shareholders will not accept the HAC MGO in respect of their HAC Shares (except in limited circumstances as more particularly described in Section 6.1(b) above), it is envisaged that the Offeror would not become entitled to exercise the right of compulsory acquisition under Section 215(1) of the Companies Act, Chapter 50 of Singapore ("**Companies Act**") pursuant to acceptances of

the HAC MGO.

11. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

11.1 Holdings and Dealings

Based on the latest information available to the Offeror, none of the following persons (i) own, control or has agreed to acquire any HAC Securities (as defined in Section 11.2 below) as at the Announcement Date or (ii) has deal for value in HAC Securities during the six-month period immediately preceding the Announcement Date ("**Reference Period**"):

- (a) the Offeror and its directors;
- (b) Sinochem and its directors; and
- (c) ANZ,

(collectively "**Relevant Persons**").

11.2 No Other Holdings or Dealings

In addition, as at the Announcement Date and based on the latest information available to the Offeror, none of the Relevant Persons:

- (a) owns, controls or has agreed to acquire any (i) HAC Shares, (ii) securities which carry voting rights in HAC or (iii) convertible securities, warrants, options or derivatives in respect of the HAC Shares or securities which carry voting rights in HAC (collectively "**HAC Securities**"); or
- (b) has dealt for value in any HAC Securities during the Reference Period.

11.3 Other Arrangements

As at the Announcement Date and based on the latest information available to the Offeror, none of the Relevant Persons has:

- (a) granted any security interest relating to any HAC Securities to another person, whether through a charge, pledge or otherwise;
- (b) borrowed any HAC Securities from another person (excluding borrowed HAC Securities which have been on-lent or sold); or
- (c) lent any HAC Securities to another person.

11.4 No Irrevocable Undertakings

As at the Announcement Date and based on the latest information available to the Offeror, save as disclosed in this Announcement, none of the Relevant Persons has received any irrevocable undertaking from any party to accept or reject the HAC MGO.

11.5 Further Enquiries

In the interests of confidentiality, the Offeror has not made enquiries in respect of certain other parties who are or may be presumed to be acting in concert with the Offeror in

connection with the HAC MGO. Further enquiries will be made of such persons and the relevant disclosures will be made in due course and in the Offer Document.

12. OVERSEAS HAC SHAREHOLDERS

12.1 Overseas Jurisdictions

This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of applicable law. The HAC MGO will be made solely by the Offer Document and the relevant form(s) of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the HAC MGO, including details of how the HAC MGO may be accepted.

The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Announcement is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Announcement and any formal documentation relating to the HAC MGO are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the HAC MGO would violate the law of that jurisdiction ("**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The HAC MGO (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the HAC MGO will not be capable of acceptance by any such use, means, instrumentality or facilities.

12.2 Overseas HAC Shareholders

Subject to the Conditions Precedent having been fulfilled (or waived in accordance with the Vendor SPAs, to the extent legally permissible), the availability of the HAC MGO to HAC shareholders whose addresses are outside Singapore as shown in the register of members of HAC or in the records of The Central Depository (Pte) Limited (as the case may be) (each, an "**Overseas Shareholder**") may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable requirements in the relevant overseas jurisdictions. Further details in relation to Overseas Shareholders will be contained in the Offer Document.

13. RESPONSIBILITY STATEMENT

The directors of the Offeror (including any who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts

have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or publicly available sources (including, without limitation, in relation to the HAC Group), the sole responsibility of the directors of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

Issued by

Australia and New Zealand Banking Group Limited, Singapore Branch

For and on behalf of

Sinochem International (Overseas) Pte. Ltd.

28 March 2016

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IMPORTANT NOTICE

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "expect", "anticipate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the current expectations, beliefs, hopes, intentions or strategies of the party making the statements regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. HAC shareholders and investors should not place undue reliance on such forward-looking statements, and none of the Offeror, Sinochem or Australia and New Zealand Banking Group Limited, Singapore Branch undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.