

HALCYON AGRI CORPORATION LIMITED

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

- (1) **PRE-CONDITIONAL MANDATORY CASH OFFER BY SINOCHEM INTERNATIONAL (OVERSEAS) PTE. LTD. TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF HALCYON AGRI CORPORATION LIMITED (THE “HAC MGO”);**
 - (2) **PROPOSED ACQUISITION OF ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF GMG GLOBAL LTD BY WAY OF A PRE-CONDITIONAL VOLUNTARY GENERAL OFFER (THE “GMG VGO”); AND**
 - (3) **PROPOSED ACQUISITION OF THE NATURAL RUBBER PROCESSING FACILITIES AND TRADING BUSINESS FROM SINOCHEM INTERNATIONAL (OVERSEAS) PTE. LTD. (THE “NR ASSETS ACQUISITION”)**
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Where capitalised terms are used in this announcement and not otherwise defined, such capitalised terms shall bear the same meanings as ascribed to them in the Company’s announcements dated 28 March 2016, 25 April 2016 and 26 April 2016 relating to the Proposed Transactions (the “Announcements”).

1. RECEIPT OF APPROVAL IN-PRINCIPLE

- 1.1 Further to the Announcements, the Board of Directors of Halcyon Agri Corporation Limited (the “**Company**” or “**HAC**”) wishes to announce that the Company has received the approval in-principle from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 12 May 2016, for the listing and quotation of up to 994,926,351 new fully paid-up ordinary shares in the capital of HAC (the “**New HAC Shares**”), to be issued as consideration for the GMG VGO and the NR Assets Acquisition (the “**AIP**”).
- 1.2 The AIP is subject to the following conditions:
 - (a) compliance with the SGX-ST’s listing requirements;
 - (b) HAC Shareholders’ approval for the GMG VGO and NR Assets Acquisition; and
 - (c) submission of the following documents:
 - (i) a written undertaking from the Company that it will comply with Listing Rule 803 of the Listing Manual; and
 - (ii) a written confirmation from the Company that it will not issue the New HAC Shares to persons prohibited under Rule 812(1) of the Listing Manual.
- 1.3 It should be noted that the AIP is not to be taken as an indication of the merits of the Proposed Acquisitions, the New HAC Shares, GMG, the NR Assets, the Company and/or its subsidiaries.

2. WAIVER FROM STRICT COMPLIANCE WITH RULE 1015(5)(B) OF THE LISTING MANUAL

2.1 The Company had on 28 March 2016, announced the details of the Proposed Acquisitions including the waiver from strict compliance with Chapter 10 of the Listing Manual in relation to the Proposed Acquisitions (the “**Waivers**”)¹.

2.2 Subsequent to the Waivers from the SGX-ST, an application was made on 29 April 2016 to the SGX-ST (the “**Further Waiver Application**”) for a waiver from strict compliance with Listing Rule 1015(5)(b) relating to the requirement for the HAC EGM Circular to contain an accountant’s report on the assets to be acquired and for the accountant’s report to comply with Rule 609 of the Listing Manual (the “**Further Waiver**”). In particular, the Company sought a waiver from disclosing the full audited financial statements of GMG and the NR Assets², and proposed to include the following information in the HAC EGM Circular:

- (a) the audited financial information (being profit & loss, balance sheet and cash flow statements) of the NR Assets for FY2013, FY2014 and FY2015 (the “**NR Assets Key Financial Information**”); and
- (b) the summary of the audited consolidated financial statements of GMG for FY2013, FY2014, FY2015 and the most recent interim period (being the financial period ended 31 March 2016 (“**Q1 2016**”)) (the “**GMG Key Financial Information**”).

2.3 The bases for the Further Waiver Application are as follows:

- (a) the Company believes that the NR Assets Key Financial Information to be disclosed in the HAC EGM Circular provides HAC Shareholders with relevant and meaningful information on the financial position of the NR Assets;
- (b) Sinochem has not consented to the disclosure of the full financial statements of the NR Assets in the HAC EGM Circular. Certain full financial statements of the NR Assets were prepared for the purposes of asset appraisal and valuation only, and were provided to the Company by Sinochem for private use. Further, the auditors who prepared the financial statements of the NR Assets have also not given their consent for disclosure of the same in the HAC EGM Circular;
- (c) Sinochem is listed on the Shanghai Stock Exchange (the “**SSE**”). As far as the Directors of the Company are aware, Sinochem has not made the audited financial statements of the NR Assets publicly available on the SSE. As such, there would be disclosure implications for Sinochem under the listing rules of SSE, in the event the Company has to disclose the audited financial statements of the NR Assets in the HAC EGM Circular;
- (d) the full audited financial statements of Hainan Sinochem, Xishuangbanna and the rubber trading business division of SIO are in Mandarin. It would take considerable time to translate these full audited financial statements to English, and this would delay the despatch of the HAC EGM Circular, and consequently, the deal timetable. As the Proposed Transactions have been announced on 28 March 2016, it is firmly in the interests of the public shareholders that (i) HAC Shareholders receive the HAC EGM Circular as soon as possible to be presented with maximum information to make an informed decision on the Proposed Transactions, and that (ii) the Proposed Transactions are consummated without delay to prevent unnecessary uncertainty or confusion in the market; and
- (e) the full financial statements of GMG are publicly available and are voluminous.

¹ Please refer to section 3.5 of the Company’s announcement dated 28 March 2016 relating to the Proposed Transactions for more information on the Waivers.

² Please refer to section 2.3 of the the Company’s announcement dated 28 March 2016 relating to the Proposed Transactions for more information on the NR Assets entities.

- 2.5 In a letter dated 12 May 2016, the SGX-ST has informed the Company that it has no objection to the Company's application for the Further Waiver, taking into consideration that the HAC EGM Circular will include the following (amongst others):
- (a) the audited key financial statements of GMG for FY2013, FY2014, FY2015; the unaudited key financial statements of GMG for Q1 2016; and information on where to access these financial statements from the SGX website; and
 - (b) the audited key financial statements of the NR Assets for FY2013, FY2014 and FY2015.
- 2.6 The Further Waiver is subject to the following:
- (a) the Company announcing the Further Waiver granted, the reasons for seeking the Further Waiver and the conditions as required under Rule 107 of the Listing Manual;
 - (b) disclosure in the HAC EGM Circular on the Further Waiver granted, the reasons for seeking the Further Waiver and the conditions as required under Rule 107 of the Listing Manual; and
 - (c) submission of a written confirmation from the Company that the Further Waiver does not contravene any laws and regulations governing the Company and the Constitution of the Company (the "**Confirmation**").

The Company will submit the Confirmation to the SGX-ST in due course and in any case prior to the despatch of the HAC EGM Circular, and it will disclose the Further Waiver, the reasons for seeking the Further Waiver and the conditions for the Further Waiver in the HAC EGM Circular, as required under Rule 107 of the Listing Manual.

3. CAUTIONARY STATEMENT

HAC Shareholders and potential investors should exercise caution when dealing in HAC Shares, and where in doubt as to the action they should take, they should consult their financial, tax or other advisors.

4. RESPONSIBILITY STATEMENT BY THE DIRECTORS

The Directors of HAC (who may each have delegated detailed supervision of this announcement) collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries that, as at the date hereof, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Transactions and the HAC Group. 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.

By Order of the Board of Directors

Pascal Demierre
Executive Director
13 May 2016