

HALCYON AGRI CORPORATION LIMITED

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

PROPOSED ACQUISITION OF POLYMER DIVISION OF RCMA GROUP PTE. LTD.

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Halcyon Agri Corporation Limited (the “**Company**”) and together with its subsidiaries, the “**HAC Group**”) wishes to announce that the Company has on 21 November 2017, entered into an agreement (the “**SPA**”) with RCMA Group Pte. Ltd. (the “**Vendor**” or “**RCMA Group**”) for the acquisition of all of the rubber trading and distribution business operated by the Vendor and its subsidiaries (the “**Proposed Acquisition**”) in Europe, the United States, Singapore and Thailand, which includes 100% of the issued and paid-up share capital of the following wholly-owned subsidiaries of the Vendor:

- (i) RCMA Terminals B.V., a private limited liability company incorporated in The Netherlands (“**RCMA BV**”) with issued and paid-up share capital of €18,000; and
- (ii) RCMA (Hatyai) Limited, a limited company incorporated in the United Kingdom of Thailand with issued and paid-up share capital of ฿250,000 (“**RCMA Thailand**”),

(hereinafter the rubber trading and distribution business, RCMA BV and RCMA Thailand shall collectively be referred to as the “**RCMA Polymer Division**”).

2. INFORMATION RELATING TO THE VENDOR AND RCMA POLYMER DIVISION

- 2.1 The Vendor has served the needs of the rubber industry since the early 1900’s. It is a global commodity trading company headquartered in Singapore, active in the rubber, cotton, sugar, coffee, vegetable oils and energy markets.

Additional information on the RCMA Group can be found at its website at <http://www.rcma.com/>.

- 2.2 RCMA Polymer Division is built upon the heritage and strong reputations of Tong Teik, Wurfbain, RCMA Americas, Corrie MacColl & Son Ltd and Alan L. Grant Rubber. It participates actively throughout the value chain, from sourcing of raw materials to marketing, transporting, importing and exporting all leading grades of natural rubber, latex and synthetic rubber. Its business operations are backed by strategically located warehouses and experienced teams, offering seamless supply chain solutions that meet the needs of its clients globally.

Additional information on RCMA Polymer Division can be found at its website at <http://www.rcma.com/product/rcma-polymer/>.

3. PRINCIPAL TERMS OF THE SPA

3.1 Assets and Property of RCMA Polymer Division

The properties and assets (the “**Targets**”) which are the subject to the Proposed Acquisition are set out below:

- (a) all property and assets including, but not limited to, office facilities, leasehold properties, all goodwill and additional rights in the intellectual property owned by or created, generated or acquired exclusively or predominantly for use by the RCMA Group for its rubber trading and distribution business (including, without limitation, trademarks and trading names of some of the world's oldest rubber trading names "WURFBAIN", "CORRIE MACCOLL" and "ALAN L. GRANT"); and
- (b) 100% equity interest in RCMA BV and RCMA Thailand with unaudited aggregate net asset value of up to US\$2.8 million, to be finalised on the Completion Date,

owned by the RCMA Group in connection with its rubber trading and distribution business as at 9.00 a.m. on the Completion Date (as defined below) (the "**Effective Time**").

3.2 **Purchase Consideration**

- 3.2.1 The maximum purchase consideration for the Targets is US\$33.8 million, subject to an adjustment on Completion Date (as defined below) to be agreed between the Company and the Vendor at Completion (as defined below) (the "**Purchase Consideration**").
- 3.2.2 The Purchase Consideration was determined on a willing-buyer and willing-seller basis, after arm's length negotiations and after taking into account the Vendor's significant presence and reputation in the industry, the opportunity to capitalise on some of the world's most established trading names in natural rubber, latex and synthetic rubber. It should be noted the Targets (other than RCMA BV and RCMA Thailand) are located in geographically diverse areas and are currently owned by the RCMA Group under its various subsidiaries which are also in the business of trading of other commodities. Accordingly, these assets have not been recorded separately from the book of its holding companies and hence, their book value and net tangible asset value are not available.
- 3.2.3 The Purchase Consideration will be satisfied by cash and fully funded through existing internal resources.

3.3 **Conditions Precedent**

Completion of the Proposed Acquisition is conditional upon the fulfilment (or waiver) of, *inter alia*, the following conditions (the "**Conditions Precedent**"):

- (a) approval of the sale and purchase of the RCMA Polymer Division by the competent merger control authorities in Germany, Malta, South Korea, and Turkey. The approval is also deemed to have occurred in the case of a statutory fiction to that effect, or if due to expiry of a time-limit a competent authority can no longer issue a prohibition order or other orders; and
- (b) the Company having completed a due diligence investigation into the legal, business and financial affairs of the RCMA Polymer Division and not having given written notice to the Vendor prior to 31 December 2017 that as a consequence the Company does not wish to proceed with the purchase of the RCMA Polymer Division pursuant to the SPA. No such notice shall be given unless the Company becomes aware of any matter, fact or circumstance during its due diligence investigation, either alone or together with any other matter, fact or circumstance of which the Company is aware, has or is likely to have or constitute a material adverse effect.

3.4 Completion

- 3.4.1 In the absence of notice as described under paragraph 3.3(b) above, completion of the Proposed Acquisition (the “**Completion**”) shall take place on 2 January 2018 or the date which is three (3) business days following the fulfilment (or waiver) of the last Conditions Precedent (or such other date as may be mutually agreed between the Company and Vendor in writing) (the “**Completion Date**”).
- 3.4.2 Upon completion, the Company shall pay the Purchase Consideration to the Vendor, and all the rights, ownership and title of the Targets together with the employees involved thereunder, shall be transferred to and vested in the designated entities under the HAC Group, free from all encumbrances.

4. OTHER INFORMATION

- 4.1 Based on the relative figures of the Proposed Acquisition computed on the bases set out in Rule 1006 of the Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Proposed Acquisition is a “Non-Discloseable Transaction” within the meaning of Rule 1008 of the Listing Manual of the SGX-ST.
- 4.2 No person has been proposed to be appointed as an executive Director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.
- 4.3 The Company shall make further announcement(s) as and when there are material developments to the Proposed Acquisition.

5. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the date hereof, none of the Directors and to the best of the Directors’ knowledge, none of the controlling shareholder of the Company or their respective associates has any interest, direct or indirect, in the Proposed Acquisition, other than that arising from their respective shareholdings and/or directorships, as the case may be, in the Company.

6. CAUTIONARY STATEMENT

Shareholders and potential investors should exercise caution when trading in the Company’s shares, 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

Pascal Demierre
Executive Director
21 November 2017