

# HALCYON AGRI CORPORATION LIMITED

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

## COMPLETION OF THE ACQUISITION OF FOUR (4) INDONESIAN RUBBER PROCESSING FACTORIES

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 announcements of the Company dated 7 December 2017, 1 January 2018 and 15 January 2018 (the “**Announcements**”) in relation to the proposed acquisition of 100% of the issued and paid-up share capital of PT. Sumber Djantin (“**PTSD**”) and PT. Sumber Alam (“**PTSA**”) (the “**Acquisition**”).

### 1. COMPLETION OF THE ACQUISITION

- 1.1 Further to the Announcements, 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 Purchasers and the Vendors had on 20 April 2018, executed a completion statement and concluded the Acquisition pursuant to the fulfilment of the condition precedents set out in the CSPA.
- 1.2 The Purchase Consideration for the Acquisition has been adjusted and determined to be S\$86.75 million (equivalent to approximately US\$66.10 million based on the exchange rate of US\$1.00 to S\$1.3123 as at 20 April 2018), and the cash paid upon Completion (taking into account the deposit of S\$10.53 million which has been paid subsequent to the execution of CSPA) to the Vendors is S\$76.22 million (inclusive of applicable withholding tax).
- 1.3 Following the completion of the Acquisition, PTSA and PTSD have become indirectly wholly-owned subsidiaries of the Company.

### 2. THE ACQUISITION AS A DISCLOSEABLE TRANSACTION

- 2.1 Relative figures of the Acquisition pursuant to Rule 1006 of the Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) based on:
- (a) the latest announced consolidated financial statements of the Group upon execution of the CSPA, being the financial period ended 30 September 2017 (“**9M 2017**”); and
- (b) the latest announced consolidated financial statements of the Group, being the financial year ended 31 December 2017 (“**FY 2017**”),

are set out below:

Rule 1006	Bases	Relative Figures (%)	
		9M 2017	FY 2017
(a)	Net asset value of the assets to be disposed of, compared with the HAC Group’s net asset value	Not applicable <sup>(1)</sup>	Not applicable <sup>(1)</sup>
(b)	Net profits <sup>(2)</sup> attributable to the assets acquired, compared with the HAC Group’s net profits <sup>(2)</sup>	2.11 <sup>(3)</sup>	2.12 <sup>(4)</sup>
(c)	Aggregate value of the consideration given or received, compared with the Company’s market capitalisation based on the total	8.29 <sup>(5)</sup>	8.29 <sup>(5)</sup>

Rule 1006	Bases	Relative Figures (%)	
		9M 2017	FY 2017
	number of issued shares excluding treasury shares		
(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable <sup>(1)</sup>	Not applicable <sup>(1)</sup>
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	Not applicable <sup>(1)</sup>	Not applicable <sup>(1)</sup>

Notes:

- (1) This basis is not applicable to the Acquisition.
- (2) Pursuant to Rule 1002(3)(b) of the Mainboard Rules, "net profits" means profit before income tax, minority interests and extraordinary items.
- (3) The unaudited aggregated net profit attributable to the Targets is approximately US\$853,000, determined based on the pro-rated nine (9) months unaudited net profit of the Targets for FY 2017. The unaudited net profit of the Group is US\$40,495,000 for 9M 2017.
- (4) The unaudited aggregated net profit attributable to the Targets for FY 2017 is approximately US\$1,137,000, and audited net profit of the Group is US\$53,519,000 for FY 2017.
- (5) The Purchase Consideration is S\$86,745,924. The Company's market capitalisation as at 11 January 2018 (being the last market day preceding the date of the CSPA) was approximately S\$1,068,658,000, determined by multiplying the total issued shares of 1,595,011,941 by the volume weighted average price of the Company's shares of S\$0.6564 per share, based on trades done on Mainboard of the SGX-ST.

2.2 Based on the relative figures, the Acquisition constitutes a Discloseable Transaction to which Rule 1010 (read with Rule 1006) of the Listing Manual applies.

### 3. FINANCIAL EFFECTS OF THE ACQUISITION

3.1 The financial effects of the Acquisition as set out below are for illustrative purposes only and do not reflect the actual financial performance or position of the Group after the Acquisition. Such financial effects have been prepared pursuant to the requirements of Rule 1010(8) and Rule 1010(9) of the Listing Manual, and based on the audited financial statements of the most recently completed financial year of the Group and unaudited aggregated financial statements of the Targets, being FY 2017.

3.2 The effect of the Acquisition on the net tangible asset value ("**NTA**") per share is based on the assumption that the Acquisition had been effected at the end of FY 2017:

NTA	As at 31 December 2017	After completion of the Acquisition
Consolidated NTA (US\$'000)	637,415 <sup>(1)</sup>	662,605 <sup>(2)</sup>
Number of issued shares	1,595,011,941	1,595,011,941
Adjusted NTA per share (US cents)	39.96	41.54
Adjusted NTA per share (S\$ cents) <sup>(3)</sup>	53.15	55.25

Notes:

- (1) Based on the Group's consolidated NTA as at 31 December 2017.

(2) Includes the NTA as set out in note (1), the Targets' aggregate NTA of approximately US\$25,190,000 as at 31 December 2017.

(3) Translated at the Group's exchange rate of US\$1.00 : S\$1.33 as at 31 December 2017.

3.3 The effect of the transaction on the earnings per share ("**EPS**") shown below is based on the assumption that the Acquisition had been effected at the beginning of FY 2017:

<b>EPS</b>	<b>As at 31 December 2017</b>	<b>After completion of the Acquisition</b>
Earnings (US\$'000)	35,705 <sup>(1)</sup>	36,555 <sup>(2)</sup>
Number of ordinary shares	1,595,011,941	1,595,011,941
Adjusted EPS (US cents)	2.24	2.29
Adjusted EPS (S\$ cents) <sup>(3)</sup>	2.98	3.05

Notes:

(1) The earnings are based on the consolidated profit from continuing operations attributable to the owners of the Company for FY 2017.

(2) Includes the earnings as set out in note (1), the Targets' aggregate net profit of US\$0.9 million attributable to the owners (translated at the average exchange rate of US\$1.00 : IDR13,376, being the Group's average exchange rate for FY 2017).

(3) Translated at the Group's exchange rate of US\$1.00 : S\$1.33 as at 31 December 2017.

#### **4. FURTHER INFORMATION**

4.1 Please refer to the Announcements for the following information on the Acquisition:

- (a) information relating to the Targets;
- (b) assets of the Targets;
- (c) the rationale for the Acquisition;
- (d) Conditions Precedent; and
- (e) principal terms of the CSPA.

4.2 The unaudited aggregate net asset value represented by 100% of the issued and paid-up shares in the Targets as at 31 December 2017 is approximately US\$25,190,000.

#### **5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDER**

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 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 securities, 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  
23 April 2018