

HALCYON AGRI CORPORATION LIMITED

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

ISSUANCE OF SHARES BY SUBSIDIARY

The Board of Directors (the “**Board**”) of Halcyon Agri Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to inform the shareholders that the Company’s subsidiary, HeveaConnect Pte. Ltd. (“**HeveaConnect**”) has issued 27,470 new ordinary shares (representing 9.9% of the issued and paid-up share capital of HeveaConnect) to DBS Bank Limited (“**DBS**”) for US\$1,000,000 on 14 December 2018 (the “**Tranche 1 Subscription**”), in accordance with the terms under a share subscription agreement (the “**SSA**”) entered into between the Company and DBS on 14 December 2018.

Pursuant to the SSA, DBS shall have an option (but not an obligation, and subject to certain conditions being fulfilled by HeveaConnect) to subscribe for a further 60,350 ordinary shares (representing 17.86% of the issued and paid-up share capital of HeveaConnect on a fully diluted basis) (or such other number of shares as adjusted according to the terms under the SSA) in HeveaConnect for US\$2,000,000 (the “**Tranche 2 Option**”). The Tranche 2 Option can be exercised by DBS within 3 months from the long-stop date of 30 September 2019 (which may be extended by up to a further three (3) months, ie. by no later than 31 December 2019).

The aggregate share subscription price of US\$3,000,000 was arrived at on a willing-buyer-willing-seller basis, taking into account the guidance and support to be extended by DBS, a leading digital bank in Singapore and the region, which has strong expertise and proven track record in digitalisation and innovation in the banking industry.

HeveaConnect was incorporated by the Company on 29 August 2018 for the purpose of developing a digital trading platform named “HeveaConnect”, which is designed to provide producers and consumers with a bilateral pricing venue for HEVEAPRO grade of natural rubber. As part of the initiative, the intellectual property rights of the Company’s natural rubber processing standards, HEVEAPRO, will be injected into HeveaConnect.

Following the completion of Tranche 1 Subscription, the Company’s total equity interest in HeveaConnect has changed from 100.0% to 90.1%, and HeveaConnect ceased to be a wholly-owned subsidiary of the Company.

The Company shall make further announcement(s) upon the completion of Tranche 2 Option and/or as and when there are material developments to the joint venture arrangement.

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 foregoing transaction, other than that arising from their respective shareholdings and/or directorships, as the case may be, in the Company.

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

Pascal Demierre
Executive Director
17 December 2018