

FOR IMMEDIATE RELEASE

Hainan Rubber to Acquire 36% in Halcyon Agri, Announces Pre-Conditional Mandatory Cash Offer

- Hainan Rubber has entered into SPA with Sinochem to acquire 36% of Halcyon Agri, triggering a MGO.
- The Offer Price is US\$0.315 (SGD equivalent S\$0.44¹) per Share in cash, and is subject to fulfilment of certain conditions.
- Sinochem shall remain second largest shareholder in Halcyon Agri, holding 29.2% stake, after the Share Acquisition, and undertake to reject the mandatory cash offer.
- Halcyon Agri will remain listed on SGX-ST, as intended by the Offeror.

SINGAPORE, 17 November 2022 – China Hainan Rubber Industry Co., Ltd (“**Hainan Rubber**” or “**Offeror**”) announced today that it has entered into a conditional share purchase agreement (“**SPA**”) with Sinochem International (Overseas) Pte Ltd (“**Sinochem**”) for the purchase of an aggregate of 574,204,299 ordinary shares (the “**Sale Shares**”, and each a “**Sale Share**”), representing 36% of the issued and paid-up capital of Halcyon Agri Corporation Limited (“**Halcyon Agri**”, the “**Company**”, and together with its subsidiaries, the “**Group**”) as at the date of the SPA for an aggregate cash consideration of approximately US\$180.9 million, being US\$0.315 for each Sale Share (equivalent to approximately S\$0.44¹ for each Sale Share) (“**Share Acquisition**”).

Hainan Rubber further announced a pre-conditional mandatory cash offer (the “**Offer**”) to acquire all the issued and paid-up ordinary shares (“**Shares**”) in Halcyon Agri it does not already own at US\$0.315 per share in cash (the “**MGO**”).

Pre-Conditions of the MGO

The Share Acquisition will result in the Offeror holding more than 30% of the issued and paid-up share capital of the Company, hence triggering an obligation, under the Singapore Code on Takeovers and Mergers (“**Code**”)², to make the MGO.

The making of the MGO is conditional upon the completion of the Share Acquisition, which shall only take place upon the following conditions being fulfilled:

Effective Conditions for SPA to become effective

- (a) Approval by the board of directors of Hainan Rubber and Sinochem and the SPA having been duly executed by both parties;
- (b) Approval by Hainan Rubber’s shareholders vide an extraordinary general meeting; and
- (c) Approval by State-owned Assets Supervision and Administration Commission of the State Council of the People’s Republic of China (“**PRC**”);

Conditions Precedent for the closing of the Share Acquisition (“Closing”)

¹ Translated using a USD:SGD exchange rate of US\$1.00:S\$1.3839 as at the Last Full Trading Day, as extracted from the website of the Monetary Authority of Singapore.

² A mandatory general offer is triggered when a person or group of persons acting in concert (or persons acting for their account), as a result of an acquisition of shares of the target company, directly or indirectly holds more than 30% of the voting securities of the target company.

- (a) Approval by the competent state-owned assets supervision and administration body for each of Hainan Rubber and Sinochem;
- (b) Approval by relevant government authorities in accordance with the applicable laws of PRC in order to consummate the Share Acquisition;
- (c) Passed anti-trust reviews by the relevant competent authorities in the relevant jurisdictions; and
- (d) Sinochem and Hainan Rubber not having received notice from any governmental authorities or any stock exchange seeking to restrain or prohibit the consummation of the Share Acquisition.

Upon the fulfilment of the pre-conditions within a six-month timeline from the effective date of the SPA, an announcement will be made on the firm intention on the part of Hainan Rubber to make the MGO.

Intention of Offeror

The Offeror announced its intention for Halcyon Agri to remain listed on the SGX-ST following the completion of the MGO, and they have no intention to introduce any major changes to the existing business or management of the Group.

There are no changes to the Group's vision and business strategy to be the leading natural rubber global franchise, and focus on creating value to its customers, employees and stakeholders.

Terms of MGO

The below outlines the shareholding structure of the Company after Share Acquisition, before the MGO:

Name	Number of Shares	%
Hainan Rubber, or its nominee	574,204,299	36.00
Sinochem	465,716,356	29.20
Other shareholders	555,091,286	34.80
Total	1,595,011,941	100.00

The MGO will not become unconditional unless the Offeror and parties acting in concert with it hold more than 50% of voting rights attributable to the issued shares of the Company as at the close of the MGO.

Sinochem has provided an irrevocable undertaking to the Offeror that they will continue to maintain a 29.20% shareholding in the Company from the date of Closing until and including the date on which the MGO closes, lapses or is withdrawn, and will reject the Offer in respect of their shareholding after Closing.

Appointment of Independent Financial Adviser ("IFA")

Subject to the Offer being made, the Directors will in due course appoint an IFA to advise the independent directors on the Offer.

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This press release should be read in conjunction with the full text of the Offer Announcement dated 17 November 2022. In the event of any inconsistency or conflict between the press release and Offer Announcement, the terms set out in the Offer Announcement shall prevail. Capitalised terms used but not otherwise defined herein shall have the meanings given to them in the Offer Announcement. The Offer Announcement is available on www.sgx.com.

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

About Halcyon Agri

Halcyon Agri is a leading supply chain franchise of natural rubber with global presence. Headquartered in Singapore and listed on the Mainboard of Singapore Exchange (SGX: 5VJ), the Group owns and operates significant assets along the natural rubber value chain, and distributes a range of natural rubber grades, latex and specialised rubber for the tyre and non-tyre industries. It has 37 processing factories in most major rubber producing origins with production capacity of 1.4 million mT per annum, and is one of the largest owners of commercially operated rubber plantation globally.

Halcyon Agri comprises two major business units:

- **Halcyon Rubber Company (HRC)** is the pre-eminent supplier of natural rubber to the global tyre fraternity. HRC Group owns and operates 35 factories with wide-ranging approvals from the tyre majors. The factories, compliant to stringent manufacturing standards, are located across the key rubber origins, including Indonesia, Malaysia, China, Thailand and Ivory Coast.
- **Corrie MacColl (CMC)** is a leading provider of specialist polymers for industrial and non-tyre applications. It comprises of two units: **CMC Plantations (CMCP)**, which owns one of the largest commercially owned and operated plantations globally and **CMC International (CMCI)**, a commercial and distribution platform with global third-party procurement capability, which supports the customers' requirements by providing full suite of logistic and technical services.

With a multinational workforce of more than 15,000 employees in over 100 locations globally, Halcyon Agri embraces sustainability as its core business tenet, and has stringent standards in place to ensure its products are sustainably sourced and responsibly produced.

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