

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;**
 - (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; AND**
 - (3) **PROPOSED ACQUISITION OF THE NATURAL RUBBER PROCESSING FACILITIES AND TRADING BUSINESS FROM SINOCHEM INTERNATIONAL (OVERSEAS) PTE. LTD.**
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1. INTRODUCTION

1.1 The Proposed Transactions

The Board of Directors (the "**Board**") of Halcyon Agri Corporation Limited ("**HAC**" or the "**Company**", and together with its subsidiaries, the "**HAC Group**") wishes to announce that the Company and certain of its shareholders have, on 28 March 2016, entered into agreements with Sinochem International (Overseas) Pte. Ltd. ("**SIO**"), a wholly-owned subsidiary of Sinochem International Corporation ("**Sinochem**"), to give effect to the following transactions:

- 1.1.1 subject to the satisfaction of certain conditions, SIO acquiring an aggregate of 30.07% of the total issued and paid-up ordinary shares in HAC (the "**HAC Shares**"¹) from the Vendor Shareholders (as defined in Section 3.1 below) for cash consideration of S\$0.75 per HAC Share (the "**Vendor Shareholders Sale**"), resulting in SIO being required, under the Singapore Code on Take-overs and Mergers (the "**Code**"), to make a mandatory general offer to all the shareholders of HAC (the "**HAC Shareholders**") for all the HAC Shares (other than those already owned, controlled or agreed to be acquired by SIO and parties acting in concert with SIO) (the "**HAC MGO**"), at the same price of S\$0.75 per HAC Share. Pursuant to the HAC MGO Undertaking (as defined in Section 3.1.3 below), SIO will own at least 53.98% of HAC Shares upon completion of the HAC MGO;
- 1.1.2 subject to the completion of the HAC MGO, HAC making a voluntary general offer pursuant to the Code to all the shareholders of GMG Global Ltd ("**GMG**") (the "**GMG Shareholders**") for all the issued and paid-up ordinary shares in the capital of GMG (the "**GMG Shares**") (other than those already owned, controlled or agreed to be acquired by HAC and parties acting in concert with HAC) (the "**GMG VGO**"), the consideration of which is to be satisfied by the allotment and issuance of new HAC Shares at a ratio of 0.9333 HAC Shares for each GMG share. SIO has given an irrevocable undertaking that would result in HAC owning at least 51.12% of the GMG Shares upon completion of the GMG VGO;

¹ Unless otherwise stated, references in this Announcement to the HAC Shares are based on total number of issued and paid-up ordinary shares of 600,092,000 HAC Shares as at the date of this Announcement.

- 1.1.3 subject to the satisfaction of certain conditions, HAC acquiring the natural rubber processing facilities and trading business (collectively, the "**NR Assets**") from SIO (the "**NR Assets Acquisition**"), the consideration of which is to be satisfied by the allotment and issuance of 280,000,000 new HAC Shares to SIO.

The Vendor Shareholders Sale, HAC MGO, GMG VGO and NR Assets Acquisition shall hereinafter collectively be referred to as the "**Proposed Transactions**". More information on each of the Proposed Transactions is set out in Sections 3 to 7 of this Announcement.

The Proposed Transactions would provide HAC Shareholders with the opportunity to either:

- (a) sell their shares in HAC pursuant to the HAC MGO at S\$0.75, which is (i) at a premium of 52.6% over the volume weighted average price ("**VWAP**") of HAC Shares for the one month period up to and including 8 September 2015 (the last full market day preceding the date whereby the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") posed queries to HAC on 9 September 2015 in relation to unusual trading activity in the HAC Shares), and (ii) at a premium of 18.1% over the last undisturbed transacted price per HAC Share on 11 January 2016, being the last full market day prior to the queries of the SGX-ST on 12 January 2016 in relation to media reports on the same day concerning Sinochem and HAC (the "**Last Undisturbed Trading Day**"); or
- (b) continue as a shareholder in HAC and participate in the expanded business including the stake in GMG and the NR Assets.

The Proposed Transactions are expected to complete in the third quarter of 2016. Sinochem and parties acting in concert with it will hold at least 60% of HAC's enlarged share capital upon completion of the Proposed Transactions.

1.2 **Rationale for the Proposed Acquisitions**

The Directors believe that the GMG VGO and the NR Assets Acquisition (collectively, the "**Proposed Acquisitions**") are, in the context of the Proposed Transactions as a whole, in the best interests of the HAC Shareholders for the following reasons:

1.2.1 **The Proposed Acquisitions are consistent with the Company's business strategy of establishing itself as a leading global natural rubber supply chain manager**

The Company's strategy to establish itself as a world leading natural rubber supply chain manager is based upon having the scale, scope and reach to provide customers with the natural rubber they need, whenever and wherever they need it.

The Proposed Acquisitions significantly enhance the Company's capabilities in every aspect of this strategy, increasing the scale of the Company's activities substantially, broadening the scope of the business by adding operations in new geographies and extending its reach by adding new customers and markets. Following completion of the Proposed Acquisitions, the Company would be the world's largest and most comprehensive natural rubber supply chain manager.

1.2.2 The Proposed Acquisitions significantly enhance the scale and market position of the Company in each segment of the natural rubber supply chain

The Proposed Acquisitions significantly increase the scale of the Company's operations in each segment of the natural rubber supply chain.

In the upstream/plantations segment, the Proposed Acquisitions will increase the total plantation land held by the HAC Group by more than 21 times to in excess of 153,000 hectares and significantly increase the planted area held by the HAC Group to in excess of 22,000 hectares.

In the midstream/processing segment, the Proposed Acquisitions will increase the total processing capacity of the HAC Group by about 100% to approximately 1.5 million tonnes per annum, making the HAC Group the world's largest producer of Technically Specified Rubber ("TSR"), in terms of production capacity.

In the downstream/distribution segment, the Proposed Acquisitions would increase the HAC Group's annual distribution capability by approximately 100% to 2.0 million tonnes per annum.

1.2.3 The Proposed Acquisitions broaden the geographic scope of the Company's operations and product offering

The Company currently produces TSR of Indonesian and Malaysian origin for sale to its customers. The Proposed Acquisitions would broaden the Company's operations and product offering significantly by adding the production of TSR of Chinese, Thai and African origins, as well as increasing the number of grades of natural rubber that the Company can produce. As a result, following completion of the Proposed Acquisitions, the Company's operations would cover the vast majority of rubber producing regions in the world and give it a comprehensive product suite to offer its customers.

1.2.4 The Proposed Acquisitions extend the distribution reach of the Company into the People's Republic of China (the "PRC")

The PRC is the world's largest consumer of natural rubber, accounting for approximately 4,820,000 tonnes of natural rubber consumption in 2015, which is approximately 39.0% of the world consumption. To date, a relatively small portion of the Company's total sales volume has been to PRC customers. The Proposed Acquisitions extend the Company's distribution reach into PRC, providing a comprehensive network of sales offices, logistics assets and an extensive customer base.

1.2.5 The Proposed Acquisitions increase the vertical integration of the Company across the natural rubber supply chain

The Proposed Acquisitions will provide the Company with a significant and growing production of natural rubber sourced from owned plantations. In an environment of increasing customer emphasis on sustainability and corporate social responsibility, the ability to control the supply chain from the natural rubber tree through to processing, combined with HAC's global distribution network, provides the potential to give customers a premium product offering which aligns with their own sustainability and responsibility agendas.

1.2.6 **Potential synergies between the principal business activities of the Company, GMG and the NR Assets**

GMG and the NR Assets have business operations that are complementary to the Company, being the management of rubber plantations, operating rubber processing facilities and distributing natural rubber to customers. It is expected that, over time, there will be synergy opportunities through common corporate infrastructure, sharing best practices and economies of scale.

1.2.7 **Enhancement of the investment and credit profile of the Company in financial markets**

The Proposed Acquisitions are expected to enhance the profile of the Company in equity and debt markets and have the potential to significantly increase the market capitalisation of the Company to become a sizeable listed natural rubber company. This would in turn, enable the Company to attract more extensive research coverage and has the potential to lead to an overall increase in investor interest and trading liquidity in the HAC Shares.

1.2.8 **The Proposed Acquisitions represent an efficient and fair basis upon which to combine the relevant assets of GMG and the NR Assets with the Company**

The Proposed Acquisitions would, upon completion, result in the Company being the listed vehicle and holding company for: (a) at least a majority of the total issued and paid-up shares of GMG, via the GMG VGO; and (b) the NR Assets. HAC Shareholders would have a stake in this enlarged business, via a SGX-ST listed Company. Accordingly, there would be an ongoing ready market for their HAC Shares.

Alternatively, the Proposed Transactions offer the HAC Shareholders the opportunity to realise their investment in HAC, via the HAC MGO, at S\$0.75 per HAC Share should they not wish to invest in the enlarged HAC Group (after completion of the Proposed Acquisitions), at the same price at which the Vendor Shareholders would be selling their HAC Shares to SIO, pursuant to the Vendor SPAs (as defined in Section 3.1 below). This offer price represents (i) a premium of 52.6% over the VWAP of HAC Shares for the one month period up to and including 8 September 2015 (the last full market day preceding the date whereby the SGX-ST posed queries to HAC on 9 September 2015 in relation to unusual trading activity in HAC Shares), and (ii) a premium of 18.1% over the last undisturbed transacted price per HAC Share on 11 January 2016, being the Last Undisturbed Trading Day.

1.3 **Sequence of Key Events**

The following provides a broad overview of the sequence of events which will take place in relation to the Proposed Transactions.

Event	Timeline
Entry into agreements in relation to the Vendors Shareholders Sale, the Implementation Agreement (as defined in Section 3.2 below), the Share Sale Agreement and announcement of the Proposed Transactions	: 28 March 2016

Event	Timeline
Convening of an extraordinary general meeting of the HAC Shareholders (" EGM ")	: 14 days after the date of the HAC EGM Circular (as defined in Section 1.4 below)
Completion under the Vendor SPAs (as defined in Section 3.1 below)	: The fifth business day following the fulfilment of the last of the Pre-Conditions set out in Section 3.1 below
Announcement of firm intention to make the HAC MGO	: Immediately upon completion under the Vendor SPAs
Close of the HAC MGO	: Under the Code, the HAC MGO offer document must be posted not earlier than 14 days (and no later than 21 days) from the date of the HAC MGO firm intention announcement. The HAC MGO must then be open for at least 28 days after the date on which the HAC MGO offer document is posted. As such, under the Code, the earliest date on which the HAC MGO will close is 42 days after the date of the HAC MGO firm intention announcement
Announcement of firm intention to make the GMG VGO	: Immediately upon completion of the HAC MGO
Close of the GMG VGO	: Under the Code, the GMG VGO offer document must be posted not earlier than 14 days (and no later than 21 days) from the date of the HAC Formal Offer Announcement (as defined in Section 3.2.1 below). The GMG VGO must then be open for at least 28 days after the date on which the GMG VGO offer document is posted. As such, under the Code, the earliest date on which the GMG VGO will close is 42 days after the date of the HAC Formal Offer Announcement
Completion of the NR Assets Acquisition	: On the closing date of the GMG VGO or such other date as agreed between HAC and SIO

1.4 **HAC Shareholder Approval**

The Proposed Acquisitions require the approval of HAC Shareholders at the EGM pursuant to Chapter 10 of the Listing Manual.

Further details on the NR Assets Acquisition are set out in Section 3.3 of this Announcement.

A circular to HAC Shareholders setting out more information on the Proposed Acquisitions and convening the EGM (the "**HAC EGM Circular**"), will be despatched in due course. SIO has obtained undertakings from the Undertaking Shareholders (as defined in Section 3.1.3 below), to vote in favour of the Proposed Acquisitions in respect of all of their shareholding interests in HAC (representing, in aggregate 62.73 % of the total issued HAC Shares), at the EGM.

1.5 Important Notice for HAC Shareholders

Information on the Pre-Conditions is set out in Section 3.1 of this Announcement. Shareholders should note that in the event any of the Pre-Conditions (as defined in Section 3.1.1) is not satisfied or waived (as the case may be) by SIO or HAC (as the case may be), the Proposed Transactions will not proceed and the HAC MGO and the GMG VGO (collectively, the "Offers") will not be made. Accordingly, all references to the Offers in this Announcement refer to the possible Offers which will only be made if and when, inter alia, such Pre-Conditions are satisfied or, if applicable, waived.

HAC Shareholders should exercise caution and seek appropriate independent advice when dealing in the HAC Shares.

2. INFORMATION ON SINOCEM, GMG AND NR ASSETS

(Information relating to Sinochem, GMG and NR Assets has been extracted from publicly available sources.)

2.1 Information on Sinochem and SIO

2.1.1 Sinochem

Sinochem is a large state-owned holding company incorporated in the PRC and whose shares are listed on the Shanghai Stock Exchange. Sinochem is a diversified international conglomerate which specialises in the trading, manufacturing and transportation of chemicals (including agricultural and horticultural), plastics, rubber and metallurgy products. Sinochem is the top distributor and one of the largest producers of natural rubber in the PRC with customers from over 100 countries and regions worldwide.

As at the date of this Announcement, Sinochem has an issued share capital of CNY2,083,012,671 comprising 2,083,012,671 shares.

As at the date of this Announcement, the directors of Sinochem are Mr Zhang Zenggen, Mr Yang Lin, Mr Qin Hengde, Mr Cui Yan, Mr Lan Zhongkai, Mr Zhu Hongchao, and Mr Xu Jingchang.

Additional information on Sinochem can be found at its website at <http://www.sinochem.com>.

2.1.2 SIO

SIO is a Singapore incorporated company wholly-owned by Sinochem and which holds 391,593,237 GMG Shares (representing approximately 51.12% of the total issued and paid-up share capital of GMG) as at the date of this Announcement. The principal activities of SIO consist of both investment holding and the trading of plastics, chemicals, rubber, petrochemical, metallurgical and other products.

As at the date of this Announcement, SIO has an issued and paid-up share capital of S\$268,040,902 comprising 268,040,902 issued ordinary shares.

As at the date of this Announcement, its directors are Mr Liu Xiang, Mr Li Dajun, Mr Qin Jinke and Mr Cheng Ruimin.

2.2 Information on GMG and its subsidiaries ("GMG Group")

GMG is a Singapore-based natural rubber producer with integrated capabilities extending from the planting, cultivating, tapping and processing, to the marketing and exporting of natural rubber.

Listed on the Mainboard of the SGX-ST, GMG focuses primarily on the production and supply of premium natural rubber to the European, American and Asian markets. As at the date of this Announcement, GMG's share capital comprises 766,019,877 issued and paid-up ordinary shares (excluding 1,565,000 treasury shares). Based on the weighted average price per GMG Share (being the last transacted price per GMG Share) on 23 March 2016 prior to the trading halt on GMG Shares (preceding the date of this Announcement) (the "**Last Trading Day**"), GMG has a market capitalisation of S\$469 million (*Source: Bloomberg L.P. as at 23 March 2016*).

Through its various subsidiaries and associates, the GMG Group currently manages more than 78,000 hectares of rubber plantations located across Africa and Asia and operates 12 rubber processing plants located in Thailand, Indonesia, Cameroon, Gabon and Cote d'Ivoire with a total annual capacity of 527,000 tonnes.

GMG Group's products include tyre-grade rubber used in the manufacture of industrial vehicle tyres, and centrifuged and blocked rubbers of latex used in the manufacture of medical-grade gloves and contraceptives. Its customers include some of the world's top tyre manufacturers and medical equipment companies.

Summary of Key Operating Data

Financial Year ended 31 December ("FY")	FY2013	FY2014	FY2015
Total planted area (ha)	20,763	21,684	N.A.
Plantation yield (MT)	19,252	19,687	N.A.
Total annual processing capacity (MT)	482,000	527,000	N.A.
Tonnage sold (MT)	306,977	337,959	325,639
Average selling price / ton (S\$ / MT)	3,290	2,386	1,987

The summary financial performance of GMG set out below is extracted from the audited financial statements of GMG for FY2013 and FY2014 and the unaudited financial statements of GMG for FY2015.

Summary Income Statement

<i>(In S\$ millions)</i>	FY2013	FY2014	FY2015
Revenue	1,009.8	806.3	647.0
Gross profit	104.1	51.3	61.3
Profit before income tax	11.6	(52.6)	(20.1)
Profit after income tax and non-controlling interest	8.7	(40.6)	(19.0)

Summary Balance Sheet

<i>(In S\$ millions)</i>	FY2013	FY2014	FY2015
Current assets	364.0	276.6	232.0
Non-current assets	760.4	762.2	791.4
Current liabilities	197.3	189.4	186.1
Non-current liabilities	26.3	52.2	83.7
Equity attributable to owners of the company	847.0	758.1	720.1

HAC Shareholders should note that GMG, being a company listed on the SGX-ST, has released and will release information through the official website of the SGX-ST. Accordingly, HAC Shareholders who wish to obtain fuller details of GMG or to be kept updated on developments of GMG should access the information of GMG on the SGX-ST website.

Additional information on GMG can also be found at its website at <http://www.gmg.sg/>.

2.3 Information on the NR Assets

For the purpose of the NR Assets Acquisition, the Company will acquire all the shares in a new private limited company to be incorporated in Singapore by SIO (the "**NR Assets Holdco**"), which will hold the following NR Assets (directly or indirectly) prior to the completion of the NR Assets Acquisition:

- (a) a minimum of 97.5% of the issued and paid up share capital of Euroma Rubber Industries Sendirian Berhad ("**Euroma**"), a company incorporated in Malaysia which operates a natural rubber processing plant in Kedah, Malaysia, with an annual processing capacity of 40,000 tonnes;
- (b) a minimum of 95.5% of the issued and paid up share capital of Hainan Sinochem Rubber Co., Ltd. (海南中化橡胶有限公司) ("**Hainan Sinochem**"), a company incorporated in the PRC which operates three (3) natural rubber processing plants in Hainan province, with an aggregate annual processing capacity of 105,000 tonnes. Hainan Sinochem is also the holding company for two (2) companies incorporated in the PRC, namely Baisha Sinochem Rubber Co., Ltd. (白沙中化橡胶有限公司) and Hainan Baoting Rubber Co., Ltd. (海南保亭中化橡胶有限公司), both of which are based in Hainan province and primarily engaged in the procurement and sales of raw materials;

- (c) a minimum of 96.67% of the issued and paid up share capital of Xishuangbanna Sinochem Rubber Co., Ltd. (西双版纳中化橡胶有限公司) ("**Xishuangbanna**"), a PRC incorporated company which operates five (5) natural rubber processing plants in Yunnan province, with an aggregate annual processing capacity of 75,000 tonnes; and
- (d) the rubber trading business division of SIO and certain employees of Sinochem that are involved in the business of trading and distribution of natural rubber products sourced from GMG, Euroma, Hainan Sinochem, Xishuangbanna and third party suppliers into PRC and other key markets including US and Europe, through, *inter alia*, the acquisition of Shanghai Hancheng Trading Co., Ltd. (上海瀚承贸易有限公司), a PRC incorporated company which will be 100% owned by Hainan Sinochem prior to the completion of the NR Assets Acquisition.

A summary of the proforma financial information of the NR Assets is set out in Appendix 3 hereto.

3. INFORMATION ON THE PROPOSED TRANSACTIONS

3.1 Vendor Shareholders Sale and the HAC MGO

Sale and purchase agreements in relation to the Vendor Shareholders Sale (the "**Vendor SPAs**") have been entered into between SIO and each of the five (5) shareholders of HAC namely Angsana Capital Ltd. (a company indirectly owned by Mr Robert Meyer, the Executive Chairman and Chief Executive Officer of the Company), Mr Pascal Demierre (an Executive Director of the Company), Clear Tower Investments Limited (a substantial shareholder of the Company), Mr Andrew Trevatt and Mr Leonard Beschizza (collectively, the "**Vendor Shareholders**"), for the acquisition by SIO of an aggregate of 180,439,576 HAC Shares representing 30.07% of the total issued HAC Shares.

3.1.1 The Pre-Conditions

The completion of the acquisition of 30.07% of the total issued HAC Shares under the Vendor Shareholders Sale, which would trigger the HAC MGO, is conditional upon:

- (i) the approval of HAC Shareholders for the Proposed Acquisitions being obtained at the EGM;
- (ii) all requisite approvals, conditions, clearances, filings and/or rulings being obtained and complied with in relation to the transactions contemplated under, *inter alia*, the Vendor SPAs, the HAC MGO, the GMG VGO and the Share Sale Agreement, from the following: (i) all relevant competition authorities, (ii) the SGX-ST, (iii) the Securities Industry Council of Singapore ("**Council**"), (iv) the Committee on Foreign Investment in the United States, (v) the Ministry of Commerce of the PRC and/or its local counterparts, (vi) the National Development and Reform Commission of the PRC and/or its local counterparts, (vii) the Sinochem Group (as a PRC state-owned enterprise)², (viii) the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) of the PRC, (ix) the State Administration of Foreign Exchange (SAFE) of the PRC

² The approval to be given by Sinochem Group (the ultimate parent company of SIO and Sinochem) as a PRC state-owned Central Enterprise, is considered as a PRC governmental approval given pursuant to PRC regulations on the *Interim Measures on the Administration of Overseas State-owned Properties of Central Enterprises* (中央企业境外国有产权管理暂行办法) and *Interim Measures on the Supervision and Administration of Overseas State-owned Assets of Central Enterprises* (中央企业境外国有资产监督管理暂行办法).

and/or its local counterparts, (x) the State Administration of Taxation (SAT) of the PRC and/or its local counterparts, and (xi) the State Administration of Industry and Commerce (SAIC) of the PRC and/or its local counterparts;

- (iii) waivers being obtained from the requisite majority of bondholders attending the necessary bondholders meeting to be convened in respect of the HAC MTN Programme³ in relation to compliance with the financial covenants stipulated under the HAC MTN Programme for the financial period up to 31 July 2017; and
- (iv) consent being obtained from the lenders under the US\$288,000,000 Facilities Agreement dated 5 August 2014 (as amended by an Amendment Agreement dated 31 December 2014 and further amended and restated by an Amendment and Restatement Agreement dated 26 June 2015 and a Second Amendment and Restatement Agreement dated 18 November 2015) (collectively, the "**Facilities Agreement**")⁴ in respect of the transactions contemplated in the HAC MGO, GMG VGO and Share Sale Agreement, and waivers of (i) any existing or subsequent breach relating to or in connection with compliance of the financial covenants under Clause 24.2 of the Facilities Agreement for a period of 9 calendar months following the closing date of the GMG VGO and completion of the NR Assets Acquisition, whichever is later; and (ii) any cessation of listing of HAC under Clause 26.19 of the Facilities Agreement subsequent to the closing date of the GMG VGO and the NR Assets Acquisition, whichever is later,

(collectively, the "**Pre-Conditions**").

In accordance with the Code, the Pre-Conditions shall not be invoked to cause the HAC MGO to lapse unless (i) the offeror (being SIO for the HAC MGO) has demonstrated reasonable efforts to fulfil the Pre-Conditions within the time frame specified (i.e. the long-stop date of 30 September 2016 under the Vendor SPAs) and (ii) the circumstances that give rise to the right to invoke the Pre-Conditions are material in the context of the Proposed Transactions.

The Council has on 18 March 2016 confirmed that it has no objections to:

- (a) the HAC MGO being subject to the Pre-Conditions; and
- (b) the GMG VGO being subject to the GMG VGO Pre-Conditions (as defined in Section 3.2.2 below).

The Council's confirmation in paragraph (a) above is subject to HAC's independent directors stating in this Announcement and the HAC EGM Circular that the Pre-Conditions are in the best interests of HAC and HAC Shareholders. Please refer to Section 6 of this Announcement for the statement of the independent directors.

³ A S\$300,000,000 Multicurrency Debt Issuance Programme (the "**HAC MTN Programme**") established by HAC on 25 April 2014. Pursuant to the HAC MTN Programme, S\$125,000,000 6.50 per cent. notes due 2019 (ISIN: SG6SC1000002) have been issued by HAC on 31 July 2014, and listed on the SGX-ST on 1 August 2014.

⁴ Pursuant to the Amendment Agreement, the Amendment and Restatement Agreement and the Second Amendment and Restatement Agreement, the facility extended under the Facility Agreement was, *inter alia*, increased to US\$388,000,000.

3.1.2 Pre-conditional HAC MGO Announcement

Immediately upon completion of the Vendor Shareholders Sale, SIO will own 30.07% of the total issued HAC Shares, and will be required under Rule 14 of the Code to make a mandatory general offer to all the HAC Shareholders for all the HAC Shares other than those already owned, controlled or agreed to be acquired by SIO and parties acting in concert with SIO.

On 28 March 2016, SIO announced that it would make a mandatory cash general offer for all the HAC Shares, subject to the fulfilment or waiver of certain conditions specified in such announcement (the "**Pre-conditional HAC MGO Announcement**"). A copy of the Pre-conditional HAC MGO Announcement is set out in **Appendix 1** hereto. HAC Shareholders should review and consider the Pre-conditional HAC MGO Announcement carefully. As stated in the Pre-conditional HAC MGO Announcement, the HAC MGO will **not** be made unless and until the Conditions Precedent (as defined therein, referred to in this Announcement as the Pre-Conditions) are satisfied (or waived, as may be applicable).

The Company will, if and when the HAC MGO is made, obtain opinion(s) from an independent financial adviser ("**IFA**") to assist the Directors (who are considered independent) in making a recommendation to HAC Shareholders in respect of the HAC MGO. A circular containing the advice of the IFA and the recommendation of the Board in respect of the HAC MGO, in accordance with the requirements of the Code, will be despatched to HAC Shareholders within 14 days of the posting of the HAC MGO offer document.

3.1.3 Undertaking from certain HAC Shareholders

- (a) **Undertaking to Vote.** SIO has obtained undertakings from each of the Vendor Shareholders, Mr Goi Seng Hui and Credence Capital Fund II (Cayman) Limited (collectively, the "**Undertaking Shareholders**"), who hold an aggregate of 376,439,576 HAC Shares, representing approximately 62.73% of the total issued HAC Shares, to vote in favour of the ordinary resolutions relating to the GMG VGO and the NR Assets Acquisition in respect of all of their HAC Shares at the EGM.
- (b) **Undertaking in respect of the HAC MGO.** The Undertaking Shareholders have undertaken not to accept the HAC MGO in respect of the any of their HAC Shares. However, in the event the acceptances by other HAC Shareholders immediately prior to the close of the HAC MGO when aggregated with the HAC Shares held by SIO, is equal to or less than 53.98% of the total issued and paid-up capital of the Company, the Undertaking Shareholders (**except** Credence Capital Fund II (Cayman) Limited) shall accept the HAC MGO and tender the requisite number of HAC Shares to the extent necessary such that SIO (and its concert parties) will hold at least 53.98% of the total issued and paid-up capital in the Company (which is equivalent to 323,939,576 HAC Shares, assuming that HAC does not issue any new shares from the date of this Announcement until the date when the HAC MGO is closed) upon the close of the HAC MGO (the "**HAC MGO Undertaking**").

Pursuant to the HAC MGO Undertaking, SIO (and its concert parties) will hold at least 53.98% of the HAC Shares, upon completion of the HAC MGO.

These undertakings provide certainty to HAC Shareholders that the HAC MGO (if and when made) will become unconditional as to acceptances and will allow the HAC Shareholders who wish to tender their HAC Shares for cash in the HAC MGO to do so, thus realising the value of their HAC Shares at a premium of 18.1% over the last undisturbed price per HAC Share on 11 January 2016, being the Last Undisturbed Trading Day.

3.2 **GMG VGO**

An implementation agreement has been entered into between HAC and SIO on 28 March 2016 (the "**Implementation Agreement**"), pursuant to which, upon completion of the HAC MGO by SIO, HAC shall make the GMG VGO, being a voluntary general offer to all GMG Shareholders for all the GMG Shares other than those already owned, controlled or agreed to be acquired by HAC and parties acting in concert with HAC.

3.2.1 **Announcement of GMG VGO**

If and when all the applicable Pre-Conditions have been satisfied (or waived, as applicable), and after completion of the HAC MGO, the financial adviser acting for and on behalf of the Company, Deutsche Bank AG, Singapore Branch ("**Deutsche Bank**"), will immediately announce a firm intention on the part of the Company to make the GMG VGO, and confirm that Deutsche Bank will undertake the GMG VGO for and on behalf of the Company (the "**HAC Formal Offer Announcement**").

A formal document setting out the definitive terms and conditions and enclosing the appropriate form(s) of acceptance of the GMG VGO (the "**GMG VGO Offer Document**") will be issued and despatched by Deutsche Bank for and on behalf of the Company to the GMG Shareholders not earlier than 14 days and not later than 21 days from the date of the HAC Formal Offer Announcement.

An announcement on the pre-conditional GMG VGO as required under the Code and announced by Deutsche Bank on 28 March 2016 (the "**Pre-conditional GMG VGO Announcement**"), is set out in **Appendix 2** hereto for HAC Shareholders' information.

The obligation of the Company under the Implementation Agreement to make the GMG VGO is conditional upon the completion of the HAC MGO. As the HAC MGO will not be triggered unless the Pre-Conditions are satisfied (or waived, as may be applicable) and the Vendor Shareholders Sale completed, the GMG VGO will not be made unless the Pre-Conditions are satisfied (or waived, as may be applicable).

3.2.2 **Salient Terms of the GMG VGO**

The salient terms of the GMG VGO, subject to the Code and the terms and conditions of the GMG VGO to be set out in the GMG VGO Offer Document, are summarised below:

GMG VGO Shares	The Company will make a voluntary general offer for all the GMG Shares, other than those already owned, controlled or agreed to be acquired by the Company and parties acting in concert with the Company.
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- No Encumbrances The GMG Shares will be acquired:
- (i) properly and validly issued and fully paid-up;
 - (ii) free from all mortgage, assignment, debenture, lien, hypothecation, charge, pledge, adverse claim, rent-charge, title retention, claim, equity, option, pre-emption right (other than those which appear in GMG's articles of association or constitutive document), right to acquire, security agreement and security interest or other right of whatever nature; and
 - (iii) together with all rights, benefits and entitlements attached thereto (including the right to receive and retain all dividends, rights and other distributions or return of capital, if any which may be announced, declared, paid or made thereon by GMG) as at the date of the HAC Formal Offer Announcement.

If any dividend, right or other distribution or return of capital is announced, declared, paid or made by GMG on or after the date of the Pre-conditional GMG VGO Announcement, the Company reserves the right to reduce the offer consideration by an amount equivalent to such dividend, right, other distribution or return of capital.

Pre-conditions The GMG VGO will only be made after completion of the HAC MGO and in the event that the Pre-Conditions are satisfied (or waived, as may be applicable) (the "**GMG VGO Pre-Conditions**").

As indicated in Section 3.1.1 above, the Council has on 18 March 2016 confirmed that it has no objections to the GMG VGO being subject to the GMG VGO Pre-Conditions.

Minimum Acceptance Condition The GMG VGO will be conditional upon the Company receiving valid acceptances in respect of such number of GMG Shares which, when taken together with the GMG Shares owned, controlled or agreed to be acquired by HAC and parties acting in concert with it (either before or during the GMG VGO and pursuant to the GMG VGO or otherwise), would result in HAC holding such number of GMG Shares carrying more than 50% of the voting rights attributable to the total issued and paid-up share capital of GMG (excluding treasury shares) as at the close of the GMG VGO.

As at the Latest Practicable Date, HAC has procured an irrevocable undertaking from SIO to accept the GMG VGO for all its 51.12% GMG Shares. Accordingly, the GMG VGO will become unconditional as to acceptances upon SIO tendering its GMG Shares in acceptance of the GMG VGO. Further details of the undertaking from SIO are set out in Section 3.2.5 of this Announcement.

Consideration and Financing of the GMG VGO Consideration for the GMG VGO will be satisfied by the issue and allotment of new HAC Shares on the following basis:

For every one (1) GMG Share: 0.9333 new fully paid-up ordinary shares in the capital of HAC.

Any fractional entitlements to such new HAC Shares will be rounded down to the nearest whole HAC Share.

3.2.3 GMG VGO Offer Price

Based upon the offer price of S\$0.75 for each HAC Share under the HAC MGO, the consideration for each GMG Share (which is to be satisfied by the issuance of 0.9333 new HAC Shares) would have an implied value of S\$0.70, representing the following premium over the historical transacted prices of the GMG Shares on the SGX-ST:

Basis	Benchmark Price (S\$)	Premium over Benchmark Price (%)
VWAP per GMG Share on 23 March 2016, being the Last Trading Day	0.612	14.3
Last undisturbed transacted price per GMG Share on 11 January 2016, being the Last Undisturbed Trading Day	0.300	133.3
VWAP per GMG Share for the one (1) month period up to and including 11 January 2016	0.314	122.8
VWAP per GMG Share for the three (3) month period up to and including 11 January 2016	0.356	96.4
VWAP per GMG Share for the six (6) month period up to and including 11 January 2016	0.375	86.9
VWAP per GMG Share for the twelve (12) month period up to and including 11 January 2016	0.630	11.0

Source: Bloomberg L.P.

Swap Ratio

The table below sets out the implied value of each GMG Share multiplied by a swap ratio of 0.9333 new fully paid-up ordinary shares in the capital of HAC for every one (1) GMG Share (the "**Swap Ratio**"), and the analysis of the implied swap ratio based on the VWAP of GMG Shares and VWAP of HAC Shares for the 1-month, 3-month, 6-month and 12-month periods up to 11 January 2016, being the Last Undisturbed Trading Day, and 23 March 2016, being the Last Trading Day.

Basis	GMG Share Price (S\$)	HAC Share Price (S\$)	Implied Value of GMG Share ⁽¹⁾ (S\$)	Implied Swap Ratio	Premium/(Discount) of Swap Ratio Over Implied Swap Ratio ⁽²⁾
VWAP on 23 March 2016, being the Last Trading Day	0.612	0.727	0.678	0.8423	10.8%
Last transacted price on 11 January 2016, being Last Undisturbed Trading Day	0.300	0.635	0.593	0.4724	97.6%
VWAP for the one (1) month period up to and including 11 January 2016	0.314	0.665	0.620	0.4726	97.5%
VWAP for the three (3) month period up to and including the 11 January 2016	0.356	0.696	0.650	0.5119	82.3%
VWAP for the six (6) month period up to and including the 11 January 2016	0.375	0.637	0.594	0.5885	58.6%
VWAP for the twelve (12) month period up to and including the 11 January 2016	0.630	0.668	0.624	0.9438	(1.1%)

Notes:

- (1) Implied value of GMG Share calculated as the HAC Share Price for that corresponding period multiplied by the swap ratio of 0.9333.
- (2) Implied premium or discount calculated as the swap ratio of 0.9333 over the corresponding implied swap ratio for each respective period.

3.2.4 Aggregate GMG VGO Consideration

The exact number of new HAC Shares to be allotted and issued as consideration for the GMG VGO will depend on the level of acceptances received and the rounding of fractional entitlements. Such new HAC Shares when issued as fully paid, shall rank *pari passu* in all respects with the existing ordinary shares of the Company save that they will not rank for any dividend, rights, allotments or other distributions, the record date of which falls on or before the date of completion of the issuance and allotment.

For illustrative purposes only, the number of new HAC Shares to be allotted and issued to GMG Shareholder(s) who have accepted the GMG VGO under (i) the scenario where the acceptance level of the GMG VGO is 51.12%, on the basis that save for SIO, none of the other GMG Shareholders accept the GMG VGO (the "**GMG VGO Minimum Scenario**"); and (ii) the scenario where the acceptance level of the GMG VGO is 100%, on the basis that all GMG Shareholders accept the GMG VGO (the "**GMG VGO Maximum Scenario**") (assuming that GMG does not issue any new shares from the date of this Announcement until the date when the GMG VGO is closed), are set out below:

(a) GMG VGO Minimum Scenario

The aggregate takeover consideration will comprise the allotment and issuance of up to 365,473,968 new HAC Shares and the implied aggregate takeover GMG VGO consideration would be approximately S\$274,105,476 (based on the offer price of S\$0.75 for each HAC Share). Such consideration shares represent approximately:

- (i) 60.90% of the total issued HAC Shares; and
- (ii) 37.85% of HAC's enlarged share capital upon completion of the GMG VGO, which comprise approximately 965,565,968 HAC Shares pursuant to the GMG VGO Minimum Scenario.

(b) GMG VGO Maximum Scenario

The aggregate takeover consideration will comprise the allotment and issuance of up to 714,926,351 new HAC Shares and the aggregate takeover GMG VGO consideration would be approximately S\$536,194,763 (based on the offer price of S\$0.75 for each HAC Share). Such consideration shares represent approximately:

- (i) 119.14% of the total issued HAC Shares; and
- (ii) 54.37% of HAC's enlarged share capital upon completion of the GMG VGO, which comprise approximately 1,315,018,351 HAC Shares pursuant to the GMG VGO Maximum Scenario.

3.2.5 Undertaking from SIO

SIO has provided an irrevocable undertaking to HAC to accept the GMG VGO in respect of all of SIO's 51.12% stake in GMG, comprising 391,593,237 GMG Shares, immediately upon the despatch of the GMG VGO Offer Document and receipt of the GMG VGO Offer Document by SIO. Pursuant to such acceptance, the GMG VGO (if and when made), will become unconditional as to acceptances upon SIO tendering its GMG Shares in acceptance of the GMG VGO.

3.2.6 Relative Figures Under Chapter 10 of The Listing Manual

Relative figures of the GMG VGO under Listing Rule 1006, based on HACL's latest announced financial results, based on the HAC Group's latest announced consolidated financial statements, being 31 December 2015 ("FY2015"), are set out below.

Rule 1006	Bases	Relative Figures (%)	
		GMG VGO Minimum Scenario	GMG VGO Maximum Scenario
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable ⁽¹⁾	Not applicable ⁽¹⁾
(b)	Net profits ⁽²⁾ attributable to the assets acquired, compared with the Group's net profits ⁽²⁾	Not meaningful ⁽³⁾	Not meaningful ⁽³⁾
(c)	Aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	62.84 ⁽⁴⁾	122.93 ⁽⁴⁾
(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	60.90 ⁽⁵⁾	119.14 ⁽⁵⁾
(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 ⁽¹⁾	Not applicable ⁽¹⁾

Notes:

- (1) This basis is not applicable to the GMG VGO.
- (2) Pursuant to Rule 1002(3)(b) of the Listing Manual, "net profits" means profit before income tax, minority interests and extraordinary items.
- (3) The net loss attributable to the GMG VGO is determined based on the latest unaudited net loss of GMG Group of approximately US\$14.6 million for FY2015. The unaudited net profit of the HAC Group was approximately US\$12.3 million for FY2015.
- (4) The Company's market capitalisation was approximately S\$436,182,563, determined by multiplying the total issued HAC Shares of 600,092,000 shares by the VWAP of HAC Shares of S\$0.727 per share, based on trades done on Mainboard on the Last Trading Day. The implied consideration for the GMG VGO is (i) S\$274,105,476 under the GMG VGO Minimum Scenario and (ii) S\$536,194,763 under the GMG VGO Maximum Scenario.

- (5) The number of equity securities to be issued by the Company as consideration for the GMG VGO is (i) 365,473,968 new HAC Shares under the GMG VGO Minimum Scenario and (ii) 714,926,351 new HAC Shares under the GMG VGO Maximum Scenario.

Based on the above, the GMG VGO is subject to the approval of HAC Shareholders at the EGM.

3.2.7 Interest of Directors and Substantial Shareholders

As at the date hereof, save for Mr Pascal Demierre who holds 42,000 GMG Shares (representing 0.00% of GMG Shares), none of the other Directors and to the best of the Directors' knowledge, none of the substantial shareholders of HAC or their respective associates has any interest, direct or indirect, in the GMG VGO.

3.3 NR Assets Acquisition

A share sale agreement has been entered into between HAC and SIO on 28 March 2016 (the "**Share Sale Agreement**") pursuant to which and subject to the fulfilment or waiver of the Pre-Conditions (where applicable), HAC will acquire the NR Assets as listed under Section 2.3 above.

3.3.1 Salient Terms of the Share Sale Agreement

The salient terms of the Share Sale Agreement are summarised below:

Conditions Precedent	Completion under the Share Sale Agreement is conditional upon the following being fulfilled (or waived, as applicable) on or prior to the date of completion under the Share Sale Agreement (the " Share Sale Completion "): <ul style="list-style-type: none">(a) all necessary approvals, consents, permits, filings and/or rulings from applicable governmental and regulatory authorities in Singapore (including the SGX-ST) and the PRC in relation to the transactions contemplated under the Share Sale Agreement being obtained, and the same remaining in full force and effect on the date of the Share Sale Completion;(b) the approval of HAC Shareholders for the NR Assets Acquisition at the EGM;(c) the closing of the HAC MGO and GMG VGO in accordance with the Code (provided that this condition precedent shall be deemed satisfied if the HAC MGO commences on or prior to 30 September 2016, or such other date as may be agreed); and(d) no governmental authority or court of competent jurisdiction having enacted, issued, promulgated, enforced or entered any law, rule, regulation, judgment, decree, executive order or award having the effect of making any of the transactions contemplated under the Share Sale Agreement illegal or otherwise prohibiting consummation thereof on or prior to the Share Sale Completion;
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Warranties

SIO represents and warrants to HAC as to, *inter alia*, the following terms as at the Share Sale Completion:

- (a) the NR Assets Holdco and its subsidiaries (collectively the "**NR Assets Group**" and each a "**NR Assets Group Company**") shall each be the sole beneficial owner of the assets of each NR Assets Group Company which it owns and SIO shall be the sole beneficial owner of the shares in the NR Assets Holdco;
- (b) all shares owned by Sinochem which form part of the assets of each NR Assets Group Company and the shares in the NR Assets Holdco are properly and validly issued and shall each be fully paid up;
- (c) the legal and beneficial ownership of the NR Assets Holdco will, at the Share Sale Completion, vest in HAC free from any encumbrances, and Sinochem's legal and beneficial ownership of the NR Assets will, at the Share Sale Completion, vest in the NR Assets Holdco free from any encumbrances;
- (d) upon the Share Sale Completion, no person has the right, or has claimed to have the right, whether exercisable now or in the future and whether contingent or not, to call for the conversion, issue, registration, sale or transfer, amortisation or repayment of any share capital or any other security giving rise to a right over, or an interest in, the capital of any NR Assets Group Company under any option, agreement or other arrangement;
- (e) upon the Share Sale Completion, there shall not be any change to the number of issued shares in the capital of any NR Assets Group Company, nor shall any NR Assets Group Company issue any instruments convertible or exchangeable into shares in the capital of any NR Assets Group Company;
- (f) the information in the books and records of the business of any NR Assets Group Company (including statutory financial statements and accounts) maintained by the relevant NR Assets Group Company for a period of three (3) years prior to the date of the Share Sale Completion (the "**NR Assets Books**") is true, complete and accurate in all material respects, and the NR Assets Books have been fully and properly drawn up and prepared in accordance with all relevant laws and accounting standards, principles and practices generally accepted in all relevant jurisdictions and so as to give a true and fair view of the state of affairs of the NR Assets Group as at the Share Sale Completion and of the results of and changes in financial position of the NR Assets Group for the year ended on that date and otherwise comply with the requirements of all other relevant and applicable legislation;

- (g) to the best of SIO's knowledge after due and reasonable inquiry, the audited accounts of each NR Assets Group Company for the financial year ended 31 December 2015, where such NR Assets Group Company is required under applicable laws and regulations to audit its accounts, provide a true and fair view of the financial position of such NR Assets Group Company as at that date;
- (h) no special incentive, bonuses nor rewards are payable by SIO or the NR Assets Group to its employees arising solely from the transactions contemplated in the HAC MGO, GMG VGO and the Share Sale Agreement, other than incentives, bonuses and rewards payable in accordance with current practices of SIO and the NR Assets Group;
- (i) the NR Assets Group's property leases are valid and in full force and effect, and enforceable in accordance with its terms, and the NR Assets Group will not have done or omitted to do anything prior to the Share Sale Completion which will result in termination or breach or expiry of such property leases which would result in a material adverse effect on the business of any NR Assets Group Company, without the approval of HAC, and based on the current terms, none of these property leases will expire before 30 September 2016;
- (j) the Adjusted Net Tangible Assets (as defined under the Share Sale Agreement) of the NR Assets Group shall be no less than US\$88 million as the Completion Date, and SIO shall compensate the NR Assets Group for any shortfall of the Adjusted Net Tangible Assets from the amount of US\$88 million; and
- (k) in the event there shall be any material deficiencies in the legal ownership or title of the NR Assets Group to the assets of the NR Assets Group or its usage of such assets, which are existing as at the date of the Share Sale Completion and which results in actual loss to the NR Assets Group subsequent to the Share Sale Completion, SIO shall compensate the NR Assets Group for such loss.

3.3.2 Purchase Consideration

The consideration for the NR Assets Acquisition was determined to be S\$210,000,000 and will be satisfied by the allotment and issuance of new HAC Shares to SIO at an issue price of S\$0.75 per HAC Share. Accordingly, the aggregate number of new HAC Shares to be allotted and issued as consideration for the NR Assets is approximately 280,000,000. Such consideration shares represent approximately:

- (a) 46.66% of the total issued HAC Shares;

- (b) 29.00% of HAC's enlarged share capital upon completion of the GMG VGO, which comprises approximately 965,565,968 HAC Shares pursuant to the GMG VGO Minimum Scenario;
- (c) 21.29% of HAC's enlarged share capital upon completion of the GMG VGO, which comprises approximately 1,315,018,351 HAC Shares pursuant to the GMG VGO Maximum Scenario; and
- (d) 17.55% of HAC's enlarged share capital upon completion of the Proposed Acquisitions, which comprises approximately 1,595,018,351 HAC Shares pursuant to the GMG VGO Maximum Scenario.

The issue price for each new HAC Share represents (i) a premium of 18.1% over the last undisturbed price per HAC Share on 11 January 2016, being the Last Undisturbed Trading Day and (ii) a premium of 3.2% over the VWAP of HAC Shares at S\$0.727 per share, based on trades done on Mainboard on the Last Trading Day.

Such new HAC Shares when issued as fully paid, shall rank *pari passu* in all respects with the existing ordinary shares of the Company save that they will not rank for any dividend, rights, allotments or other distributions for which the record date falls on or before the date of completion of the allotment and issuance.

3.3.3 Relative Figures Under Chapter 10 of the Listing Manual

For the purpose of Chapter 10 of the Listing Manual, the relative figures in relation to the NR Assets Acquisition computed on the applicable bases set out in Rule 1006 of the Listing Manual, based on the HAC Group's latest announced consolidated financial statements, being FY2015, are set out below:

Rule 1006	Bases	Relative Figures (%)
(a)	Net asset value of the assets to be disposed of, compared with the group's net asset value	Not applicable ⁽¹⁾
(b)	Net profits ⁽²⁾ attributable to the assets acquired, compared with the group's net profits ⁽²⁾	110.15 ⁽³⁾
(c)	Aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	48.14 ⁽⁴⁾
(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	46.66 ⁽⁵⁾
(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 ⁽¹⁾

Notes:

- (1) This basis is not applicable to the NR Asset Acquisition.
- (2) Pursuant to Rule 1002(3)(b) of the Listing Manual, "net profits" means profit before income tax, minority interests and extraordinary items.

- (3) The net profit attributable to the NR assets to be acquired is determined based on the unaudited net profit of NR Assets of approximately US\$13.5 million for FY2015. The unaudited net profit of the HAC Group was approximately US\$12.3 million for FY2015.
- (4) The Company's market capitalisation was approximately S\$436,182,563, determined by multiplying the total issued HAC Shares of 600,092,000 shares by the VWAP of HAC Shares of S\$0.727 per share, based on trades done on Mainboard on the Last Trading Day. The consideration for the NR Assets is S\$210 million.
- (5) The number of equity securities to be issued by the Company as consideration for the NR Assets is 280,000,000 new HAC Shares.

Based on the above figures, the NR Assets Acquisition is subject to the approval of HAC Shareholders at the EGM.

3.3.4 Interest of Directors and Substantial Shareholders

As at the date hereof, none of the other Directors and to the best of the Directors' knowledge, none of the substantial shareholders of HAC or their respective associates has any interest, direct or indirect, in the NR Assets.

3.4 Relative Figures of the Proposed Acquisition Under Chapter 10 of The Listing Manual

For the benefit of shareholders, the relative figures in relation to the GMG VGO and the NR Assets Acquisition computed on the applicable bases set out in Rule 1006 of the Listing Manual, based on the HAC Group's latest announced consolidated financial statements, being FY2015, are set out below:

Rule 1006	Bases	Relative Figures (%)	
		GMG VGO Minimum Scenario	GMG VGO Maximum Scenario
(a)	Net asset value of the assets to be disposed of, compared with the group's net asset value	Not applicable ⁽¹⁾	Not applicable ⁽¹⁾
(b)	Net profits ⁽²⁾ attributable to the assets acquired, compared with the group's net profits ⁽²⁾	Not meaningful ⁽³⁾	Not meaningful ⁽³⁾
(c)	Aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	110.99 ⁽⁴⁾	171.07 ⁽⁴⁾
(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	107.56 ⁽⁵⁾	165.80 ⁽⁵⁾
(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 ⁽¹⁾	Not applicable ⁽¹⁾

Notes:

- (1) This basis is not applicable to the GMG VGO.
- (2) Pursuant to Rule 1002(3)(b) of the Listing Manual, "net profits" means profit before income tax, minority interests and extraordinary items.
- (3) The net loss attributable to the assets acquired (being the unaudited net loss of GMG Group of approximately US\$14.6 million for FY2015 and unaudited net profit of NR Assets of approximately US\$13.5 million for FY2015) was approximately US\$1.1 million. The unaudited net profit of the HAC Group was approximately US\$12.3 million for FY2015.
- (4) The Company's market capitalisation was approximately S\$436,182,563, determined by multiplying the total issued HAC Shares of 600,092,000 shares by the VWAP of HAC Shares of S\$0.727 per share, based on trades done on Mainboard on the Last Trading Day. The implied consideration for the GMG VGO is (i) S\$274,105,476 under the GMG VGO Minimum Scenario and (ii) S\$536,194,763 under the GMG VGO Maximum Scenario. The consideration for the NR Assets Acquisition is S\$210,000,000.
- (5) The number of equity securities to be issued by the Company as consideration (a) for the GMG VGO is (i) 365,473,968 new HAC Shares under the GMG VGO Minimum Scenario and (ii) 714,926,351 new HAC Shares under the GMG VGO Maximum Scenario; and (b) for the NR Assets is 280,000,000 new HAC Shares.

3.5 Waiver from Strict Compliance with Chapter 10 of the Listing Manual

An application was made on 14 October 2015 to the SGX-ST (followed by subsequent correspondences thereafter) for a waiver from strict compliance with Chapter 10 of the Listing Manual in relation to the Proposed Acquisitions.

In its letters dated 18 December 2015 and 12 February 2016, the SGX-ST informed the Company that it has no objection to the Company's application for waivers (the "**Waivers**") from compliance with:

3.5.1 Rule 1015(2) of the Listing Manual relating to the requirement for the target business, to be profitable

The bases for the Company's application for waiver are as follows:

- (a) although GMG had incurred losses for FY2014 and for the six (6) months ended 30 June 2015, this was due primarily to the falling natural rubber prices;
- (b) notwithstanding the fall in natural rubber prices, the sales volume of the GMG Group had increased over the last five (5) years;
- (c) GMG had disclosed in its annual report for FY2014 the following corporate developments:
 - (i) strategic investment in new plant and replanting in the GMG Group's African plantations, having added another 2,267 hectares of new planting and 900 hectares of replanting in FY2014;
 - (ii) the increase of its annual processing capacity to 527,000 tonnes, which is 9.3% higher than 482,000 tonnes in FY2013; and
 - (iii) the integration of all of GMG Group's Indonesia and Thailand through the SAP system which is envisaged to bring about increased efficiencies and better cost management;

- (d) the GMG Group had been profitable for FY2010 to FY2013;
- (e) the GMG Group, a subsidiary of Sinochem, is in the same businesses as the HAC Group, and the GMG VGO is undertaken with the support of Sinochem to turnaround the businesses of GMG by leveraging on the experience and track record of the Company and its management.

3.5.2 Rule 1015(2) of the Listing Manual relating to the requirement for the Company to appoint a competent and independent valuer to value GMG and the NR Assets

The bases for the Company's application for waiver are as follows:

- (a) GMG is a company currently listed on the Mainboard of the SGX-ST, and the shares and business of GMG already have a prescribed market value;
- (b) the Company will not have access to information necessary for a business valuation of GMG (for example, its projected financial performance or future business plans or strategies) as GMG is a listed company that is subject to strict confidentiality requirements, a business valuation of GMG is neither meaningful nor possible; and
- (c) the Company will obtain and set out in the HAC EGM Circular, the IFA's opinion as to whether each of the GMG VGO and the NR Assets Acquisition is (i) made on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders; and (ii) that the consideration given for each of the Proposed Acquisitions is fair and reasonable. In arriving at its opinion, the IFA will take into consideration amongst, others, the valuation of the NR Assets commissioned by an independent third party and will also disclose the name of the valuer as well as the valuation amount.

3.5.3 Rule 1015(5)(b) of the Listing Manual relating to the requirement that the HAC EGM Circular must contain an accountants' report on the assets to be acquired and the enlarged group

The bases for the Company's application for waiver are as follows:

- (a) as the acquisition of GMG is made by way of a voluntary general offer to the GMG Shareholders, the Company does not have access to GMG, its board or its management, and all information on GMG would have to be based on public information;
- (b) the audited financial statements of GMG for the latest three financial years were prepared on the same financial reporting standards (namely the Singapore Financial Reporting Standards) and December year-end as that of the Company. These publicly available audited financial statements of GMG (together with the notes to the financial statements) would have included material information to enable the HAC Shareholders to arrive at an informed decision about GMG;
- (c) GMG is in the same business as the Company and therefore the Proposed Acquisitions do not result in a change in the core business of the Company; and
- (d) the Company would be providing in the HAC EGM Circular the proforma financial information of the enlarged group, comprising the Company, GMG and the NR Assets after the completion of the Proposed

Acquisitions, based on publicly available information in relation to GMG, for the latest three (3) financial years and the most recent interim period (if applicable). The HAC EGM Circular will also contain the audited financial information for the latest three (3) financial years and the unaudited financial information for the most recent interim period (if applicable) for GMG and the NR Assets.

The Waivers are subject to the following conditions:

- (I) the Company announcing the Waivers granted, the reasons for seeking the Waivers and the conditions as required under Rule 107 of the Listing Manual;
- (II) disclosure in the HAC EGM Circular on the Waivers granted, the reasons for seeking the Waivers and the conditions of the Waiver as required under Rule 107 of the Listing Manual; and
- (III) submission of a written confirmation from the Company that the Waivers do not contravene any laws and regulations governing the Company and the articles of the Company (the "**Confirmation**").

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

3.6 Listing Approval

The Company will make an additional listing application to the SGX-ST for the admission of the new HAC Shares to be issued in connection with the GMG VGO and NR Assets Acquisition, to the Mainboard of the SGX-ST.

4. FINANCIAL EFFECT OF THE GMG VGO AND NR ASSETS ACQUISITION

The financial effects of the Proposed Acquisitions on HAC as set out below are for illustrative purposes only and do not reflect the actual financial performance or position of the HAC Group after the Proposed Acquisitions. The financial effects set out below have been prepared based on the financial statements of HAC, GMG and NR Assets for the most recently completed year, being FY2015, and on the following key assumptions:

- (a) the number of equity securities to be issued by the Company as consideration (a) for the GMG VGO is 714,926,351 new HAC Shares under the GMG VGO Maximum Scenario; and (b) for the NR Assets is 280,000,000 new HAC Shares;
- (b) the effect of the transaction on the earnings per share ("**EPS**") of the Group shown in Section 4.1 below is based on the assumption that the Proposed Acquisitions had been effected at the beginning of FY2015; and
- (c) the effect of the transaction on the NTA per share and NAV per share of the Group shown in Section 4.2 below is based on the assumption that the Proposed Acquisitions had been effected at the end of FY2015.

4.1 EPS

EPS	As at 31 December 2015	After the completion of the Offers	After the completion of the Offers and NR Assets Acquisition
Earnings (US\$'000)	8,467 ⁽¹⁾	(5,303) ⁽²⁾	4,069 ⁽³⁾
Number of issued shares ('000)	600,092	1,315,018	1,595,018
Adjusted EPS (US cents)	1.41	(0.40)	0.26
Adjusted EPS (S\$ cents) ⁽⁵⁾	1.95	(0.56)	0.35

Notes:

- (1) The earnings are based on the consolidated profit attributable to the owners of the Company for FY2015.
- (2) Includes the earnings as set out in note (1), the GMG Group's unaudited net loss attributable to the owners of US\$13.8 million for FY2015, translated at the average exchange rate of US\$1.00:S\$1.3786 (being the HAC Group's average exchange rate for FY2015).
- (3) Includes the earnings as set out in note (2), the NR Assets' unaudited net profit attributable to the owners of US\$9.4 million for FY2015, translated at the average exchange rate of US\$1.00:CNY6.1824 (being the HAC Group's average exchange rate for FY2015).

4.2 NTA and NAV

NTA/(Net tangible liabilities) ("NTL")	As at 31 December 2015	After the completion of the Offers	After the completion of the Offers and NR Assets Acquisition
Consolidated NTA/(NTL) (US\$'000)	(73,882) ⁽¹⁾	451,285 ⁽²⁾	537,197 ⁽³⁾
Number of issued shares ('000)	600,092	1,315,018	1,595,018
Adjusted NTA/(NTL) per share (US cents)	(12.31)	34.32	33.68
Adjusted NTA/(NTL) per share (S\$ cents) ⁽⁷⁾	(17.41)	48.52	47.62

NAV	As at 31 December 2015	After the completion of the Offers	After the completion of the Offers and NR Assets Acquisition
Consolidated net assets (US\$'000)	126,652 ⁽⁴⁾	659,687 ⁽⁵⁾	753,374 ⁽⁶⁾
Number of issued shares ('000)	600,092	1,315,018	1,595,018
Adjusted net assets per share (US cents)	21.11	50.17	47.23
Adjusted net assets per share (S\$ cents) ⁽⁷⁾	29.84	70.93	66.78

Notes:

- (1) Based on the HAC Group's consolidated NTA as at 31 December 2015.
- (2) Includes the NTA as set out in note (1), the GMG Group's unaudited NTA of US\$525.2 million as at 31 December 2015, translated at the HAC Group's exchange rate of US\$1.00: S\$1.4139 as at 31 December 2015.
- (3) Includes the NTA as set out in note (2), the NR Assets' unaudited NTA of approximately US\$85.9 million as at 31 December 2015.
- (4) Based on the HAC Group's consolidated NAV as at 31 December 2015.
- (5) Includes the NAV as set out in note (4), the GMG Group's unaudited net assets of US\$533.1 million as at 31 December 2015, translated at the Group's exchange rate of US\$1.00: S\$1.4139 as at 31 December 2015.
- (6) Includes the NAV as set out in note (5), the NR Assets' unaudited net assets of US\$93.7 million as at 31 December 2015.
- (7) Translated at the HAC Group's exchange rate of US\$1.00: S\$1.4139 as at 31 December 2015.

5. INTENTIONS FOR THE HAC GROUP AND GMG

5.1 Sinochem's intentions in relation to the HAC Group

As stated in the Pre-conditional HAC MGO Announcement, save for integrating and consolidating the business of HAC, GMG and the NR Assets, Sinochem currently has no intentions to introduce any major changes to the existing business of the HAC Group, employment of the employees of the HAC Group, or to re-deploy any of the fixed assets of HAC Group, other than in the ordinary course of business.

5.2 HAC's intentions in relation to GMG

The GMG VGO shall be conditional upon the Company receiving valid acceptances in respect of GMG Shares which would result in the Company holding such number of GMG Shares carrying more than 50% of the total issued and paid-up share capital of GMG (excluding treasury shares). In the event that the Company receives acceptances for the GMG VGO such that GMG is unable to continue to meet the public float requirement of the SGX-ST, the Company (at present) does not have any intention to support any action or take any steps to maintain the listing status of GMG on the SGX-ST. It also intends to exercise its right of compulsory acquisition under Section 215(1) of the Act to acquire the outstanding GMG Shares, should this right arise.

Upon completion of the GMG VGO, the Company may undertake a strategic and operational review of the organisation, business and operations of the GMG Group with a view to realise synergies and growth potential. It is the intention of the Company to ensure continuity of the GMG Group's operations and to lead the GMG Group to further growth and development.

The Company presently has no intention to introduce any major changes to the existing business or management of the HAC Group, or re-deploy any of the fixed assets of HAC Group, other than in the ordinary course of business.

6. INDEPENDENT DIRECTORS' RECOMMENDATIONS IN RELATION TO THE HAC MGO

The independent directors of HAC being Mr Alan Rupert Nisbet, Mr Randolph Khoo Boo Teck and Mr Liew Choon Wei, having considered the Pre-Conditions and all other relevant circumstances, are of the opinion that the Pre-Conditions are in the best interests of HAC and the HAC Shareholders.

7. DIRECTORS' SERVICE CONTRACTS

As at the date of this Announcement, no person has been proposed to be appointed as an executive Director of the Company in connection with the GMG VGO and the NR Assets Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

Mr Robert Meyer, the Chief Executive Officer of the Company, and Mr Pascal Demierre, an Executive Director of the Company, have indicated their willingness to remain on the Board and in executive management of the Company.

8. EXTRAORDINARY GENERAL MEETING

HAC will be seeking specific approval of HAC Shareholders at the EGM for:

- (a) the GMG VGO; and
- (b) the NR Assets Acquisition.

The HAC EGM Circular containing, *inter alia*, the notice of EGM and the details of the aforementioned Proposed Acquisitions will be despatched to the HAC Shareholders in due course.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company's registered office at 250 North Bridge Road, #12-01 Raffles City Tower, Singapore 179101 for a period of three (3) months commencing from the date of this Announcement:

- (a) the Constitution of the Company;
- (b) the Implementation Agreement;
- (c) the Share Sale Agreement;
- (d) the annual report of the Company for FY2014; and
- (e) the letters of undertaking from the Undertaking Shareholders.

10. CAUTIONARY STATEMENT

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.

11. 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

Pascal Demierre
Executive Director
28 March 2016

Forward-Looking Statements

All statements other than statements of historical facts included in this announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "expect", "anticipate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the current expectations, beliefs, hopes, intentions or strategies of the party making the statements regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither HAC nor Deutsche Bank undertakes any obligation to update publicly or revise any forward-looking statements.

PRE-CONDITIONAL MANDATORY CASH OFFER

by

**AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED,
SINGAPORE BRANCH**



(Australian Company No.:005357522)
(Incorporated in Australia)

for and on behalf of

SINOCHEM INTERNATIONAL (OVERSEAS) PTE. LTD.

(Company Registration No.: 200305994Z)
(Incorporated in the Republic of Singapore)

a direct wholly-owned subsidiary of

SINOCHEM INTERNATIONAL CORPORATION

(Company Registration No.: 913100007109235395)
(Incorporated in the People's Republic of China)

to acquire all the issued and paid-up ordinary shares in the capital of

HALCYON AGRI CORPORATION LIMITED

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

other than those already owned, controlled or agreed to be acquired by
Sinochem International (Overseas) Pte. Ltd. and parties acting in concert with it

1. INTRODUCTION

1.1 The Offer

Australia and New Zealand Banking Group Limited, Singapore Branch ("**ANZ**") wishes to announce, for and on behalf of Sinochem International (Overseas) Pte. Ltd. ("**Offeror**"), that subject to the fulfillment of the Conditions Precedent (as defined in Section 2.2 below), the Offeror will make a mandatory conditional cash offer ("**HAC MGO**") for all the issued and paid-up ordinary shares ("**HAC Shares**") in the capital of Halcyon Agri Corporation Limited ("**HAC**") other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror.

The Offeror is a direct wholly-owned subsidiary of Sinochem International Corporation ("**Sinochem**"), a company incorporated in the People's Republic of China ("**PRC**") and listed on the Shanghai Stock Exchange. Further information on the Offeror and Sinochem is set out in Section 7 below.

1.2 Holdings

As at the date of this Announcement ("**Announcement Date**"), the Offeror and the other Relevant Persons (as defined in Section 11.1 below) do not own or control, directly or indirectly, any HAC Shares.

2. PROPOSED MERGER

2.1 Proposed Merger

In connection with the proposed merger of the natural rubber assets of both Sinochem and HAC to form the world's largest natural rubber company ("**Proposed Merger**"), HAC, certain HAC shareholders, Sinochem and the Offeror had on the Announcement Date entered into certain agreements amongst themselves as follows:

- (a) acquisition by the Offeror of an aggregate of 30.07% of the issued HAC Shares ("**Vendor Shareholders Sale**") from certain HAC shareholders (as more particularly described in Section 2.2 below), whereby completion of the Vendor Shareholders Sale ("**Completion**") is conditional upon the conditions precedent to the sale and purchase agreements ("**Vendor SPAs**") having been fulfilled (and/or waived in accordance with the Vendor SPAs, to the extent legally permissible). Pursuant to the implementation agreement entered into by and among HAC and the Offeror on the Announcement Date ("**Implementation Agreement**"), upon Completion taking place, the Offeror will make the HAC MGO, being a mandatory general offer for all HAC Shares other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror, in accordance with Rule 14 of The Singapore Code on Take-overs and Mergers ("**Code**");
- (b) subsequent to completion of the HAC MGO and pursuant to the Implementation Agreement, HAC will acquire a majority stake in GMG Global Ltd ("**GMG**"), a company listed on the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), by making a voluntary general offer for all the shares in GMG other than those already owned, controlled or agreed to be acquired by HAC in accordance with Rule 15 of the Code ("**GMG VGO**"), upon the fulfillment of all the pre-conditions to the GMG VGO, the consideration of which is to be satisfied by the allotment and issuance of 0.9333 new fully paid-up HAC Shares for every one GMG share; and
- (c) upon or shortly after completion of the GMG VGO and subject to the satisfaction of certain conditions, HAC will acquire from SIO all the shares in a company to be incorporated by SIO, which company will own certain other companies which conduct natural rubber processing and trading businesses ("**NR Assets**"), for an aggregate consideration amount of S\$210,000,000 which is to be satisfied by the allotment and issuance of 280,000,000 new fully paid-up HAC Shares ("**NR Assets Acquisition**"),

(collectively, the "**Proposed Transactions**").

The Proposed Transactions are expected to complete in the third quarter of 2016. Sinochem and parties acting in concert with it will hold at least 60% of HAC's enlarged share capital upon completion of the Proposed Transactions.

2.2 Vendor Shareholders Sale

On the Announcement Date, the Offeror entered into Vendor SPAs with five HAC shareholders, namely Angsana Capital Ltd., Clear Tower Investments Limited, Mr Pascal Guy Chung Wei Demierre, Mr Andrew Trevatt and Mr Leonard Beschizza ("**Vendor Shareholders**") in relation to the sale of HAC Shares by the Vendor Shareholders to the Offeror in respect of an aggregate of 180,439,576 HAC Shares, representing approximately 30.07% of the total issued HAC Shares ¹.

Completion of the Vendor Shareholders Sale is subject to the fulfillment of the conditions precedent set out in Section 3.1 below ("**Conditions Precedent**").

The HAC MGO will not be made unless and until the Conditions Precedent are fulfilled and/or waived (as the case may be) and Completion occurs. Accordingly, all references to the HAC MGO in this Announcement refer to the pre-conditional mandatory general cash offer which will only be made if and when the Conditions Precedent are fulfilled and/or waived (as the case may be) and Completion occurs in accordance with the terms of the Vendor SPAs.

Shareholders of HAC should exercise caution and seek appropriate independent advice when dealing in the HAC Shares.

3. PRE-CONDITION TO THE MAKING OF THE HAC MGO

3.1 Conditions Precedent

It is a pre-condition to the making of the HAC MGO that the Vendor Shareholders Sale is completed on the terms of the Vendor SPAs and upon the following Conditions Precedent having been fulfilled (or waived in accordance with the Vendor SPAs, to the extent legally permissible):

- (a) the GMG VGO and the NR Assets Acquisition being approved by the HAC shareholders at an extraordinary general meeting to be convened by HAC ("**HAC EGM**") for the purpose of, amongst other things, considering, and if thought fit, approving the GMG VGO and the NR Assets Acquisition;
- (b) all requisite approvals, conditions, clearances, filings and/or rulings being obtained and complied with in relation to the transactions contemplated under the Vendor Shareholders Sale, HAC MGO, GMG VGO and NR Assets Acquisition from the following: (i) all relevant competition authorities, (ii) the SGX-ST, (iii) the Securities Industry Council of Singapore ("**Council**"), (iv) the Committee on Foreign Investment in the United States, (v) the Ministry of Commerce of the PRC and/or its local counterparts, (vi) the National Development and Reform Commission of the PRC and/or its local counterparts, (vii) the Sinochem Group (as a PRC state-owned enterprise) ², (viii) the State-owned Assets Supervision and Administration

¹ Unless otherwise stated, references in this Announcement to the total number of issued HAC Shares are based on 600,092,000 HAC Shares in issue (based on a search conducted at the Accounting and Corporate Regulatory Authority of Singapore on the Announcement Date).

² The approval to be given by Sinochem Group (the ultimate parent company of SIO and SIC) as a PRC state-owned Central Enterprise, is considered as a PRC governmental approval given pursuant to PRC regulations on the *Interim Measures on the Administration of Overseas State-owned Properties of Central Enterprises* (中央企业境外国有产权管理暂行办法) and *Interim Measures on the Supervision and Administration of Overseas State-owned Assets of Central Enterprises* (中央企业境外国有资产监督管理暂行办法).

Commission of the State Council (SASAC) of the PRC, (ix) the State Administration of Foreign Exchange (SAFE) of the PRC and/or its local counterparts, (x) the State Administration of Taxation (SAT) of the PRC and/or its local counterparts, and (xi) the State Administration of Industry and Commerce (SAIC) of the PRC and/or its local counterparts;

- (c) waivers being obtained from the requisite majority of bondholders attending the necessary bondholders meeting to be convened in respect of the S\$300,000,000 multicurrency debt issuance programme of HAC established on 25 April 2014 ("**HAC MTN Programme**")³ in relation to compliance with the financial covenants stipulated under the HAC MTN Programme for the financial period up to 31 July 2017; and
- (d) consent being obtained from the lenders under the US\$288,000,000 Facilities Agreement (being the bridge facilities agreement dated 5 August 2014 as amended by an Amendment Agreement dated 31 December 2014 and further amended and restated by an Amendment and Restatement Agreement dated 26 June 2015 and a Second Amendment and Restatement Agreement dated 18 November 2015) (collectively, "**Facilities Agreement**")⁴ in respect of the transactions contemplated in the HAC MGO, GMG VGO and NR Assets Acquisition, and waivers of: (i) any existing or subsequent breach relating to or in connection with compliance of the financial covenants under Clause 24.2 of the Facilities Agreement for a period of 9 calendar months following the closing date of the GMG VGO and completion of the NR Assets Acquisition, whichever is later; and (ii) any cessation of listing of HAC under Clause 26.19 of the Facilities Agreement subsequent to the closing date of the GMG VGO and completion of the NR Assets Acquisition, whichever is later.

3.2 Completion of the Vendor Shareholders Sale

Subject to the fulfillment (or waiver in accordance with the Vendor SPAs, to the extent legally permissible) of all the Conditions Precedent:

- (a) completion of the Vendor Shareholders Sale in respect of each Vendor SPA shall take place on the fifth business day following the fulfilment of the last Conditions Precedent (or at such other date as may be agreed between the parties to the Vendor SPAs), and shall be subject to concurrent completion of the sale and purchase of HAC Shares under the other Vendor SPAs; and
- (b) upon completion of the Vendor Shareholders Sale, the Offeror will own an aggregate of 180,439,576 HAC Shares, representing approximately 30.07% of the total number of issued HAC Shares.

3.3 Long-Stop Date

Pursuant to the terms of the Vendor SPAs, the long-stop date for the fulfilment of the Conditions Precedent is 30 September 2016 or such other date as the parties shall mutually agree in writing ("**Long-Stop Date**"). If the Conditions Precedent are not fulfilled and/or waived (as the case may be) on or before the Long-Stop Date or such other date as

³ Pursuant to the HAC MTN Programme, S\$125,000,000 6.50 per cent. notes due 2019 (ISIN: SG6SC1000002) have been issued by HAC on 31 July 2014, and listed on the SGX-ST on 1 August 2014.

⁴ Pursuant to the Amendment Agreement, the Amendment and Restatement Agreement and the Second Amendment and Restatement Agreement, the facility extended under the Facility Agreement was, inter alia, increased to US\$388,000,000.

the parties shall mutually agree in writing, the Vendor SPAs (save for provisions which relate to costs and expenses and confidentiality) shall *ipso facto* cease and determine and neither party shall have any claim against the other for costs, damages, compensation or otherwise.

3.4 Rulings by Council

In accordance with the Code, the Conditions Precedent shall not be invoked to cause the HAC MGO to lapse unless (i) the Offeror has demonstrated reasonable efforts to fulfil the Conditions Precedent within the time frame specified (i.e. the long-stop date of 30 September 2016 under the Vendor SPAs) and (ii) the circumstances that give rise to the right to invoke the Conditions Precedent are material in the context of the proposed transactions.

The Council has on 18 March 2016 confirmed that it has no objections to the HAC MGO being subject to the Conditions Precedent. The Council's confirmation is subject to HAC's independent directors stating in the announcement and circular to its shareholders relating to the GMG VGO and NR Assets Acquisition that the Conditions Precedent are in the best interests of HAC and its shareholders.

3.5 Formal Offer Announcement

If and when the Conditions Precedent are fulfilled (or waived in accordance with the Vendor SPAs, to the extent legally permissible) and upon Completion having occurred, ANZ, for and on behalf of the Offeror, will announce the firm intention on the part of the Offeror ("**Formal Offer Announcement**") to make the HAC MGO.

The formal offer document containing the terms and conditions of the HAC MGO ("**Offer Document**") will thereafter be despatched to HAC shareholders not earlier than 14 days and not later than 21 days from the date of the Formal Offer Announcement, if any. **However, in the event that any of the Conditions Precedent are not fulfilled (or waived in accordance with the Vendor SPAs, to the extent legally permissible) on or before the Long-Stop Date, the HAC MGO will not be made and ANZ will issue an announcement, for and on behalf of the Offeror, confirming that fact as soon as reasonably practicable thereafter.**

4. TERMS OF THE HAC MGO

Subject to and contingent upon the fulfillment (or waiver in accordance with the Vendor SPAs, to the extent legally permissible) of all the Conditions Precedent and the terms and conditions to be set out in the Offer Document, the Offeror will make the HAC MGO for all the HAC Shares other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it ("**Offer Shares**") in accordance with Rule 14 of the Code on the following basis:

(a) **Offer Price.** The consideration for each Offer Share will be as follows:

For each Offer Share: S\$0.75 in cash ("Offer Price")

(b) **No Encumbrances.** The Offer Shares will be acquired:

(i) fully paid-up;

(ii) free from all liens, equities, mortgages, charges, encumbrances, rights of

pre-emption and other third party rights and interests of any nature whatsoever; and

- (iii) together with all rights, benefits and entitlements attached thereto as at the date of the Formal Offer Announcement and thereafter attaching thereto (including the right to receive and retain all dividends, rights and other distributions or return of capital, if any, which may be announced, declared, paid or made thereon by HAC) on or after the date of the Formal Offer Announcement.

If any dividend, right or other distribution or return of capital is announced, declared, paid or made by HAC on or after the Announcement Date, the Offeror reserves the right to reduce the Offer Price by an amount equivalent to such dividend, right, other distribution or return of capital.

- (c) **Minimum Acceptance Condition.** The HAC MGO, if and when made, will be conditional upon the Offeror having received, by the close of the HAC MGO, valid acceptances in respect of such number of Offer Shares which, when taken together with the HAC Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (either before or during the HAC MGO and pursuant to the HAC MGO or otherwise), will result in the Offeror and parties acting in concert with it holding such number of HAC Shares carrying more than 50% of the voting rights attributable to the issued HAC Shares (excluding any HAC Shares held in treasury) as at the close of the HAC MGO ("**Minimum Acceptance Condition**").

The HAC MGO will not become or be capable of being declared unconditional in accordance with its terms unless the Minimum Acceptance Condition is satisfied.

As at the Announcement Date, the Offeror has procured irrevocable undertakings from the Undertaking Shareholders (as described in Section 6.1 below) to ensure, *inter alia*, that the HAC MGO becomes unconditional as to acceptances. Further information on the irrevocable undertakings is set out in Section 6 below.

5. FINANCIAL EVALUATION OF THE PRE-CONDITIONAL HAC MGO

The Offer Price represents the following premium over or discount to the historical transacted prices of the HAC Shares on the SGX-ST:

	Benchmark Price (S\$)	Premium over / (Discount to) Benchmark Price %
Volume-weighted average price (" VWAP ") per HAC Share on 23 March 2016 prior to the trading halt on HAC Shares, being the last trading day preceding the Announcement Date	0.727	3.2
Last transacted price per HAC Share on 11 January 2016 ⁵	0.635	18.1

⁵ 11 January 2016 was the last full market day before news articles were published asserting that HAC was in discussions with Sinochem on a potential transaction.

	Benchmark Price (S\$)	Premium over / (Discount to) Benchmark Price %
Last transacted price per HAC Share on 8 September 2015 ⁶	0.605	24.0
VWAP per HAC Share for the one month period up to and including 8 September 2015	0.491	52.6
VWAP per HAC Share for the three month period up to and including 8 September 2015	0.581	29.0
VWAP per HAC Share for the six month period up to and including 8 September 2015	0.692	8.3
VWAP per HAC Share for the twelve month period up to and including 8 September 2015	0.665	12.8

Source: Bloomberg L.P.

6. IRREVOCABLE UNDERTAKINGS

6.1 Irrevocable Undertakings by HAC Shareholders

As at the Announcement Date, certain HAC shareholders have provided the following irrevocable undertakings to the Offeror ("**Shareholders Undertakings**"):

- (a) **Undertaking to Vote.** The Vendor Shareholders, Mr Goi Seng Hui and Credence Capital Fund II (Cayman) Limited (collectively "**Undertaking Shareholders**") who collectively own an aggregate of 376,439,576 HAC Shares, representing approximately 62.73% of the total issued HAC Shares, have undertaken to vote in favour of the ordinary resolutions relating to the GMG VGO and the NR Assets Acquisition in respect of all of their HAC Shares at the HAC EGM; and
- (b) **Undertaking in respect of the HAC MGO.** The Undertaking Shareholders have undertaken not to accept the HAC MGO in respect of any of their HAC Shares. However, in the event the acceptances by other HAC shareholders immediately prior to the close of the HAC MGO when aggregated with the HAC Shares held by the Offeror, is less than 53.98% of the total issued HAC Shares, the Undertaking Shareholders (**except** Credence Capital Fund II (Cayman) Limited) shall tender the requisite number of HAC Shares in acceptance of the HAC MGO which would result in the Offeror and its concert parties holding at least 53.98% of the total issued and paid-up share capital in HAC as at the close of the HAC MGO (which is equivalent to 323,939,576 HAC Shares assuming that HAC did not issue any new HAC Shares from the Announcement Date until the closing date of the HAC MGO) ("**HAC MGO Undertakings**").

For illustrative purposes only, based on the assumption that none of the other HAC

⁶ 8 September 2015 was the last full market day preceding the date whereby the SGX-ST posed queries to HAC in relation to unusual trading activity in HAC Shares on 9 September 2015.

shareholders accept the HAC MGO, the maximum number of HAC Shares to be tendered by each Undertaking Shareholder (**except** Credence Capital Fund II (Cayman) Limited) pursuant to the HAC MGO Undertakings is set out below:

No.	Name of HAC Shareholder	Number of HAC Shares Undertaken	Percentage of HAC Shares (%)
1.	Angsana Capital Ltd. ⁷	55,000,000	9.17
2.	Clear Tower Investments Limited	40,000,000	6.67
3.	Mr Goi Seng Hui	25,000,000	4.17
4.	Mr Pascal Guy Chung Wei Demierre	10,500,000	1.75
5.	Mr Andrew Trevatt	9,000,000	1.50
6.	Mr Leonard Beschizza	4,000,000	0.67
Total number of HAC Shares in relation to the HAC MGO Undertakings:		143,500,000	23.91

Pursuant to the HAC MGO Undertakings, the Offeror and its concert parties will hold at least 53.98% of the total issued and paid-up share capital in HAC, as at the close of the HAC MGO.

The Shareholders Undertakings provide certainty to the HAC shareholders that the HAC MGO will become unconditional as to acceptances.

7. INFORMATION ON THE OFFEROR AND SINOCHEM

7.1 The Offeror

The Offeror is a private limited company incorporated and domiciled in Singapore. The Offeror is a direct wholly-owned subsidiary of Sinochem, a company which is incorporated in the PRC and listed on the Shanghai Stock Exchange. The principal activities of the Offeror consist of both investment holding and the trading of plastics, chemicals, rubber, petrochemical, metallurgical and other products.

As at the Announcement Date, the Offeror has an issued share capital of S\$268,040,902 comprising 268,040,902 issued ordinary shares.

As at the Announcement Date, the directors of the Offeror are Mr Liu Xiang, Mr Li Dajun, Mr Qin Jinke and Mr Cheng Ruimin.

As at the Announcement Date, the Offeror owns 391,593,237 GMG shares, representing approximately 51.12% of the total issued and paid-up share capital of GMG.

7.2 Sinochem

Sinochem is a large state-owned holding company in the PRC, listed on the Shanghai Stock Exchange. It is a diversified international conglomerate which specialises in trading, manufacturing and transportation of chemicals (including agricultural and horticultural),

⁷ Mr Robert Gunther Meyer is deemed interested in all HAC Shares held by Angsana Capital Ltd., a company indirectly-owned by Mr Robert Gunther Meyer.

plastics, rubber and metallurgy products. Sinochem is the top distributor and one of the largest producers of natural rubber in the PRC with customers from over 100 countries and regions worldwide.

As at the Announcement Date, Sinochem has an issued share capital of RMB 2,083,012,671, comprising 2,083,012,671 shares, of which 55.35% is held by Sinochem Corporation.

As at the Announcement Date, the directors of Sinochem are Mr Zhang Zenggen, Mr Yang Lin, Mr Qin Hengde, Mr Cui Yan, Mr Lan Zhongkai, Mr Zhu Hongchao, Mr Xu Jingchang.

Additional information on Sinochem can be found at its website at <http://www.sinochemintl.com>.

8. INFORMATION ON HAC

HAC is incorporated in Singapore and listed on the Main Board of the SGX-ST. It is a global natural rubber supply chain manager. HAC's business activities span the entire natural rubber supply chain and are organised around three key stages of activity: origination, production and distribution. HAC produces high quality natural rubber at its 14 processing facilities in Indonesia and Malaysia. It sells its own products and products procured from third parties to an extensive customer base of the world's top tyre producers and hundreds of industrial manufacturers. HAC's distribution network is extensive, comprising sales offices and logistics assets spanning South East Asia, the PRC, South Africa, the United States of America and Europe. HAC is one of the top five natural rubber companies globally, with a production capacity of 748,000 tonnes and a distribution capability in excess of one million tonnes.

Based on a search conducted at the Accounting and Corporate Regulatory Authority of Singapore on the Announcement Date, HAC has an issued and paid-up share capital of S\$210,039,652.40 comprising 600,092,000 issued HAC Shares. Pending completion of the Proposed Transactions (and other than arising from the Proposed Transactions itself), there shall not be any change to the number of issued HAC Shares nor shall any company in the HAC Group (as defined in Section 9.1(h) below) issue any instruments convertible or exchangeable into HAC Shares).

As at the Announcement Date, the directors of HAC are Mr Robert Gunther Meyer, Mr Pascal Guy Chung Wei Demierre, Mr Alan Rupert Nisbet, Mr Khoo Boo Teck Randolph and Mr Liew Choon Wei.

Additional information on HAC can be found at its corporate website at <http://www.halcyonagri.com/>.

9. RATIONALE FOR THE PROPOSED MERGER

9.1 Rationale

The Offeror believes that the Proposed Merger would be in the best interest of HAC for the following reasons:

- (a) **The Proposed Merger is consistent with Sinochem's and HAC's strategy of establishing a leading global natural rubber supply chain manager**

The Proposed Merger would result in the combination of highly complementary assets under HAC with HAC becoming the flagship of Sinochem Group's natural rubber businesses. The combination of HAC, GMG and Sinochem's other non-listed natural rubber businesses through the Proposed Merger will form the world's largest natural rubber company and, in so doing, generate significant value creation opportunities for ongoing shareholders. This is consistent with Sinochem's business strategy to rationalise its existing natural rubber operations, increase shareholder value and build a leading global natural rubber supply chain platform.

(b) **The Proposed Merger significantly enhances the scale and market position of HAC in each segment of the natural rubber supply chain**

The Proposed Merger will create a world leading global natural rubber enterprise, with market leading competency in each part of the supply chain including plantation, processing and distribution.

In the upstream/plantations segment, the Proposed Merger will increase the total plantation land held by HAC by more than 21 times to in excess of 153,000 hectares and significantly increase the planted area held by HAC to in excess of 22,000 hectares.

In the midstream/processing segment, the Proposed Merger will increase the total processing capacity of HAC by about 100% to approximately 1.5 million tonnes per annum, making HAC the world's largest producer of Technically Specified Rubber ("TSR"), in terms of production capacity.

In the downstream/distribution segment, the Proposed Merger will increase HAC's annual distribution capability by approximately 100% to 2.0 million tonnes per annum.

(c) **The Proposed Merger combines complementary business operations and expertise of Sinochem and HAC to realise potential synergies**

The Proposed Merger will add complementary business operations of GMG and the NR Assets as well as operating expertise to HAC. Sinochem, with 60 years of operating history in the natural rubber business, brings a wealth of expertise in the management of rubber plantations, operation of natural rubber processing facilities and distribution of natural rubber to customers. It is expected that, over time, there will be synergistic opportunities through common corporate infrastructure, sharing best practices and economies of scale.

(d) **The Proposed Merger broadens the geographic scope of HAC's operations and product offering**

HAC currently produces TSR of Indonesian and Malaysian origin for sale to its customers. The Proposed Merger would broaden HAC's operations and product offering significantly by adding the production of TSR of Chinese, Thai and African origins, as well as increasing the number of grades of natural rubber that HAC can produce. As a result, following completion of the Proposed Merger, HAC's operations would cover the vast majority of rubber producing regions in the world and give it a comprehensive product suite to offer its customers.

(e) **The Proposed Merger extends the distribution reach of HAC into the PRC**

The combined business will benefit from a significantly enhanced market presence

in the PRC. The PRC is the world's largest consumer of natural rubber, accounting for approximately 4,820,000 tonnes of natural rubber consumption in 2015, which is approximately 39.0% of the world consumption. To date, only a relatively small portion of HAC's total sales volume has been attributed to PRC customers. The Proposed Merger extends HAC's distribution reach into the PRC, providing a comprehensive network of sales offices and an extensive customer base.

(f) **The Proposed Merger increases the vertical integration of HAC across the natural rubber supply chain**

The Proposed Merger will provide HAC with a significant and growing production of natural rubber sourced from owned plantations. In an environment of increasing customer emphasis on sustainability and corporate social responsibility, the ability to control the supply chain from the natural rubber tree through to processing, combined with HAC's global distribution network provides the potential to give customers a premium product offering which aligns with their own sustainability and responsibility agendas.

(g) **Enhancement of the investment and credit profiles of HAC in the financial markets**

The Proposed Merger are expected to enhance the profile of HAC in the equity and debt capital markets with Chinese state-owned enterprise Sinochem becoming HAC's major shareholder, thus enabling a potential significant increase in the market capitalisation of HAC to become a sizeable listed natural rubber company. This would in turn, enable HAC to potentially attract more extensive research coverage and may possibly lead to an overall increase in investor interest and trading liquidity in the HAC Shares.

(h) **The Proposed Merger represents an efficient and fair basis upon which to combine the relevant assets of HAC, GMG and the NR Assets**

The proposed merger of HAC and its subsidiaries ("**HAC Group**"), GMG and Sinochem's other non-listed natural rubber businesses, will enable the combined businesses, as the enlarged HAC entity, to compete more advantageously with other international natural rubber players. The Proposed Transactions represent the most efficient and fair basis upon which to combine the relevant assets of HAC, GMG and the NR Assets, and provide:

- certainty that all of Sinochem's natural rubber assets will be controlled by HAC;
- certainty that the Offeror will be the controlling shareholder, owning in excess of 50.1% of the enlarged HAC entity;
- choice for HAC shareholders, to continue to remain as a shareholder of the enlarged HAC entity or to sell their HAC Shares for cash (see also Section 5 above); and
- choice for GMG shareholders, to invest in the enlarged HAC entity by exchanging GMG shares into new HAC Shares or to continue to remain a shareholder of GMG (or to sell their GMG shares in the market for cash consideration).

9.2 Intention of the Offeror

Save in connection with the integration and consolidation of the businesses of HAC, GMG and the NR Assets, the Offeror currently has no intentions to (i) introduce any major changes to the existing business or management of the HAC Group, (ii) discontinue the employment of the employees of the HAC Group, or (iii) re-deploy any of the fixed assets of HAC Group, other than in the ordinary course of business. The Offeror however retains the flexibility at any time to consider any options or opportunities in relation to HAC which may present themselves and which the Offeror may regard to be in the best interests of the Offeror or the HAC Group.

10. LISTING STATUS AND COMPULSORY ACQUISITION

10.1 Listing Status

Pursuant to Rule 1105 of the Listing Manual of the SGX-ST ("**Listing Manual**"), upon an announcement by the Offeror that acceptances have been received pursuant to the HAC MGO that bring the holdings owned by the Offeror and its concert parties to above 90% of the total number of issued HAC Shares (excluding treasury shares), the SGX-ST may suspend the trading of the HAC Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of issued HAC Shares (excluding treasury shares) are held by at least 500 HAC shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued HAC Shares (excluding treasury shares), thus causing the percentage of the total number of issued HAC Shares (excluding treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the HAC Shares only at the close of the HAC MGO.

In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of issued HAC Shares (excluding treasury shares) held in public hands falls below 10%, HAC must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the HAC Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow HAC a period of three months, or such longer period as the SGX-ST may agree, to raise the percentage of HAC Shares (excluding treasury shares) in public hands to at least 10%, failing which HAC may be removed from the official list of the SGX-ST.

It is the current intention of the Offeror to maintain the listing status of HAC on the SGX-ST following completion of the HAC MGO. However, in the event that the trading of the HAC Shares on the SGX-ST is suspended pursuant to Rule 724 or 1105 of the Listing Manual, the Offeror reserves the right to undertake or support any action as may be necessary for any such listing suspension by the SGX-ST to be lifted.

In this regard, HAC shareholders should also note the undertakings by the Undertaking Shareholders not to accept the HAC MGO in respect of any of their HAC Shares save for the specific circumstance set out in Section 6.1(b) above.

10.2 Compulsory Acquisition

Pursuant to the HAC MGO Undertaking, as the Undertaking Shareholders will not accept the HAC MGO in respect of their HAC Shares (except in limited circumstances as more particularly described in Section 6.1(b) above)), it is envisaged that the Offeror would not become entitled to exercise the right of compulsory acquisition under Section 215(1) of the Companies Act, Chapter 50 of Singapore ("**Companies Act**") pursuant to acceptances of

the HAC MGO.

11. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

11.1 Holdings and Dealings

Based on the latest information available to the Offeror, none of the following persons (i) own, control or has agreed to acquire any HAC Securities (as defined in Section 11.2 below) as at the Announcement Date or (ii) has deal for value in HAC Securities during the six-month period immediately preceding the Announcement Date ("**Reference Period**"):

- (a) the Offeror and its directors;
- (b) Sinochem and its directors; and
- (c) ANZ,

(collectively "**Relevant Persons**").

11.2 No Other Holdings or Dealings

In addition, as at the Announcement Date and based on the latest information available to the Offeror, none of the Relevant Persons:

- (a) owns, controls or has agreed to acquire any (i) HAC Shares, (ii) securities which carry voting rights in HAC or (iii) convertible securities, warrants, options or derivatives in respect of the HAC Shares or securities which carry voting rights in HAC (collectively "**HAC Securities**"); or
- (b) has dealt for value in any HAC Securities during the Reference Period.

11.3 Other Arrangements

As at the Announcement Date and based on the latest information available to the Offeror, none of the Relevant Persons has:

- (a) granted any security interest relating to any HAC Securities to another person, whether through a charge, pledge or otherwise;
- (b) borrowed any HAC Securities from another person (excluding borrowed HAC Securities which have been on-lent or sold); or
- (c) lent any HAC Securities to another person.

11.4 No Irrevocable Undertakings

As at the Announcement Date and based on the latest information available to the Offeror, save as disclosed in this Announcement, none of the Relevant Persons has received any irrevocable undertaking from any party to accept or reject the HAC MGO.

11.5 Further Enquiries

In the interests of confidentiality, the Offeror has not made enquiries in respect of certain other parties who are or may be presumed to be acting in concert with the Offeror in

connection with the HAC MGO. Further enquiries will be made of such persons and the relevant disclosures will be made in due course and in the Offer Document.

12. OVERSEAS HAC SHAREHOLDERS

12.1 Overseas Jurisdictions

This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of applicable law. The HAC MGO will be made solely by the Offer Document and the relevant form(s) of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the HAC MGO, including details of how the HAC MGO may be accepted.

The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Announcement is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Announcement and any formal documentation relating to the HAC MGO are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the HAC MGO would violate the law of that jurisdiction ("**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The HAC MGO (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the HAC MGO will not be capable of acceptance by any such use, means, instrumentality or facilities.

12.2 Overseas HAC Shareholders

Subject to the Conditions Precedent having been fulfilled (or waived in accordance with the Vendor SPAs, to the extent legally permissible), the availability of the HAC MGO to HAC shareholders whose addresses are outside Singapore as shown in the register of members of HAC or in the records of The Central Depository (Pte) Limited (as the case may be) (each, an "**Overseas Shareholder**") may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable requirements in the relevant overseas jurisdictions. Further details in relation to Overseas Shareholders will be contained in the Offer Document.

13. RESPONSIBILITY STATEMENT

The directors of the Offeror (including any who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts

have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or publicly available sources (including, without limitation, in relation to the HAC Group), the sole responsibility of the directors of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

Issued by

Australia and New Zealand Banking Group Limited, Singapore Branch

For and on behalf of

Sinochem International (Overseas) Pte. Ltd.

28 March 2016

Any inquiries relating to this Announcement should be directed during office hours to the following:

Australia and New Zealand Banking Group Limited, Singapore Branch

Mr Ben Gledhill

Head of Corporate Advisory, Asia

Tel: +65 6681 2370

Mr Sigismund Kwok

Director, Corporate Advisory

Tel: +65 6681 2371

IMPORTANT NOTICE

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "expect", "anticipate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the current expectations, beliefs, hopes, intentions or strategies of the party making the statements regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. HAC shareholders and investors should not place undue reliance on such forward-looking statements, and none of the Offeror, Sinochem or Australia and New Zealand Banking Group Limited, Singapore Branch undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

PRE-CONDITIONAL VOLUNTARY GENERAL OFFER

by

Deutsche Bank 

DEUTSCHE BANK AG,
SINGAPORE BRANCH

for and on behalf of



HALCYON AGRI CORPORATION LIMITED
(Company Registration Number: 200504595D)
(Incorporated in the Republic of Singapore)

to acquire all the issued and paid up ordinary shares in the capital of

GMG GLOBAL LTD
(Company Registration Number: 199904244E)
(Incorporated in the Republic of Singapore)

other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror

1. INTRODUCTION

- 1.1 **Pre-Conditional Voluntary General Offer.** Deutsche Bank AG, Singapore Branch (“**Deutsche Bank**”) wishes to announce, for and on behalf of Halcyon Agri Corporation Limited (the “**Offeror**” or “**HAC**”) that, subject to the fulfilment or waiver of the Pre-Conditions (as defined in paragraph 2.2 below), the Offeror will make a voluntary conditional offer (the “**GMG VGO**”) for all the issued and paid-up ordinary shares (the “**GMG Shares**”) in the capital of GMG Global Ltd (the “**Company**” or “**GMG**”), other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror (the “**Offer Shares**”) in accordance with Rule 15 of the Singapore Code on Takeovers and Mergers (the “**Code**”).

The GMG VGO will not be made unless and until the Pre-Conditions are fulfilled or waived. Accordingly, all references to the GMG VGO in this Announcement refer to a possible voluntary general offer which will only be made if and when such Pre-Conditions are fulfilled (or waived, as applicable).

Shareholders of the Company (the “GMG Shareholders”) should exercise caution and seek appropriate independent advice when dealing in the GMG Shares.

- 1.2 **No Holding.** As at the date of this Announcement, the Offeror does not own or control, directly or indirectly, any GMG Shares.

2. PRE-CONDITIONS TO THE MAKING OF THE GMG VGO

2.1 **Implementation Agreement.** Pursuant to an implementation agreement (the “**Implementation Agreement**”) entered into on 28 March 2016 between the Offeror and Sinochem International (Overseas) Pte. Ltd. (“**SIO**”), it was agreed that:

- (a) subject to the fulfilment (or waiver, as applicable) of the Pre-Conditions (as defined below), the Offeror shall irrevocably undertake the GMG VGO in accordance with the Code, and shall not vary any material terms of the GMG VGO without the prior written consent of SIO; and
- (b) SIO shall irrevocably accept the GMG VGO (if and when made) in respect of its 391,593,237 GMG Shares (representing approximately 51.12% of the total issued share capital of GMG) immediately upon the despatch and receipt by SIO of the formal offer document setting out the definitive terms and conditions of the GMG VGO (the “**GMG VGO Offer Document**”) which is to be issued by Deutsche Bank, for and on behalf of the Offeror, to the GMG Shareholders (the “**SIO Undertaking**”).

2.2 **Pre-Conditions.** The making of the GMG VGO is subject to the fulfilment (or waiver, as applicable) of the following conditions:

- (a) the GMG VGO and the acquisition of certain natural rubber assets (the “**NR Assets**”) from SIO (the “**NR Assets Acquisition**”) being approved by the HAC shareholders at an extraordinary general meeting to be convened by HAC for the purpose of, amongst other things, considering, and if thought fit, approving the GMG VGO and NR Assets Acquisition;
- (b) all requisite approvals, conditions, clearances, filings and/or rulings being obtained and complied with in relation to the transactions contemplated under, *inter alia*, the HAC MGO (as defined below), GMG VGO and NR Assets Acquisition from the following: (i) all relevant competition authorities, (ii) the SGX-ST, (iii) the Securities Industry Council of Singapore, (iv) the Committee on Foreign Investment in the United States of America; (v) the Ministry of Commerce of PRC and/or its local counterparts, (vi) the National Development and Reform Commission of PRC and/or its local counterparts, (vii) the Sinochem Group (as a PRC state-owned enterprise¹), (viii) the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) of the PRC, (ix) the State Administration of Foreign Exchange (SAFE) of the PRC and/or its local counterparts; (x) the State Administration of Taxation (SAT) of the PRC and/or its local counterparts; and (xi) the State Administration of Industry and Commerce (SAIC) of the PRC and/or its local counterparts;
- (c) waivers being obtained from the requisite majority of bondholders attending the necessary bondholders meeting to be convened in respect of the HAC

¹ The approval to be given by Sinochem Group (the ultimate parent company of SIO and Sinochem International Corporation, the holding company of SIO) as a PRC state-owned Central Enterprise, is considered as a PRC governmental approval given pursuant to PRC regulations on the *Interim Measures on the Administration of Overseas State-owned Properties of Central Enterprises* (中央企业境外国有产权管理暂行办法) and *Interim Measures on the Supervision and Administration of Overseas State-owned Assets of Central Enterprises* (中央企业境外国有资产监督管理暂行办法).

MTN Programme² in relation to compliance with the financial covenants stipulated under the HAC MTN Programme for the financial period up to 31 July 2017;

- (d) consent being obtained from the lenders under the US\$288,000,000 facilities agreement dated 5 August 2014 (as amended by an amendment agreement dated 31 December 2014 and further amended and restated by an amendment and restatement agreement dated 26 June 2015 and a second amendment and restatement agreement dated 18 November 2015) (collectively, the "**Facilities Agreement**")³ in respect of the transactions contemplated in the HAC MGO, GMG VGO and NR Assets Acquisition, and waivers of (i) any existing or subsequent breach relating to or in connection with compliance of the financial covenants under Clause 24.2 of the Facilities Agreement for a period of 9 calendar months following the closing date of the GMG VGO and completion of the NR Assets Acquisition, whichever is later; and (ii) any cessation of listing of HAC under Clause 26.19 of the Facilities Agreement subsequent to the closing date of the GMG VGO and completion of the NR Assets Acquisition, whichever is later; and
- (e) completion of the mandatory general offer by SIO for the Offeror (the "**HAC MGO**") (a copy of the pre-conditional HAC MGO announcement made by SIO on 28 March 2016 (the "**Pre-Conditional HAC MGO Announcement**") is set out in **Appendix 1** hereto for GMG Shareholders' information),

(collectively, the "**Pre-Conditions**").

In accordance with the Code, the Pre-Conditions shall not be relied upon to cause the GMG VGO to lapse unless (i) the Offeror has demonstrated reasonable efforts to fulfil the Pre-Conditions within the time frame specified and (ii) the circumstances that give rise to the right to rely upon the Pre-Conditions are material in the context of the Proposed Transactions.

The Securities Industry Council of Singapore has on 18 March 2016 confirmed that it has no objections to the GMG VGO being subject to the GMG VGO Pre-Conditions.

Please refer to the announcement by HAC on 28 March 2016 for more information on the transactions involving the GMG VGO.

- 2.3 **Formal Offer Announcement.** If and when all the Pre-Conditions have been fulfilled (or waived as applicable), Deutsche Bank, for and on behalf of the Offeror, will announce the Offeror's firm intention to undertake the GMG VGO (the "**Formal Offer Announcement**"). The GMG VGO Offer Document and the appropriate form(s) of acceptance for the GMG VGO will be despatched to the GMG Shareholders not earlier than 14 days and not later than 21 days from the date of the Formal Offer Announcement.

However, if any of the Pre-Conditions are not fulfilled (or waived as applicable), the GMG VGO will not be made and Deutsche Bank will issue an announcement, for and on behalf of the Offeror, confirming that fact as soon as reasonably practicable.

² A S\$300,000,000 Multicurrency Debt Issuance Programme (the "**HAC MTN Programme**") established by HAC on 25 April 2014. Pursuant to the HAC MTN Programme, S\$125,000,000 6.50 per cent. notes due 2019 (ISIN: SG6SC1000002) have been issued by HAC on 31 July 2014, and listed on the SGX-ST on 1 August 2014.

³ Pursuant to the Amendment Agreement, the Amendment and Restatement Agreement and the Second Amendment and Restatement Agreement, the facility extended under the Facility Agreement was, *inter alia*, increased to US\$388,000,000.

3. INFORMATION ON THE OFFEROR AND THE COMPANY

(Information relating to the Company has been extracted from publicly available sources.)

3.1 The Offeror

HAC is a global natural rubber supply chain manager. HAC's business activities span the entire natural rubber supply chain and are organised around three (3) key stages of activity: Origination, Production and Distribution. HAC owns 14 natural rubber processing facilities in Indonesia and Malaysia and produces sustainable, premium Technically Specified Rubber under its proprietary HEVEAPRO brand. It sells its own products and products procured from third parties to an extensive customer base of the world's top tyre producers and hundreds of industrial manufacturers. HAC's distribution network is extensive, comprising sales offices and logistics assets spanning South East Asia, China, South Africa, the United States and Europe. HAC is one of the top five (5) natural rubber companies globally, with a production capacity of 748,000 tonnes and a distribution capability in excess of one (1) million tonnes.

HAC is headquartered in Singapore and listed on the mainboard of the SGX-ST. Since the founding of HAC in 2010, HAC has grown rapidly by successfully acquiring and integrating a number of the longest established and highest quality businesses in the industry, including the Anson Group (Lee Rubber Indonesia), which traces its roots back to the 1930s. A total of six (6) acquisitions have been completed since its initial public offering in 2013, establishing HAC as one of the natural rubber industry's leading participants, with unrivalled scale, scope and reach.

Additional information on HAC can be found at its website at <http://www.halcyonagri.com/>.

3.2 The Company

GMG is a Singapore-based natural rubber producer with integrated capabilities extending from planting, cultivating, tapping and processing, to the marketing and exporting of natural rubber.

GMG was incorporated in Singapore on 23 July 1999 as a public company. The principal activity of GMG is investment holding. Listed on the Mainboard of the SGX-ST, GMG focuses primarily on the production and supply of premium natural rubber to the European, American and Asian markets. As at the date of this Announcement, GMG's share capital comprises 766,019,877 issued and paid-up ordinary shares (excluding 1,565,000 treasury shares). Based on the weighted average price per GMG Share (being the last transacted price per GMG Share) on 23 March 2016 prior to the trading halt on GMG Shares (preceding the date of this Announcement), GMG has a market capitalisation of S\$469 million (*Source: Bloomberg L.P.*).

Through its various subsidiaries and associates, the GMG group currently manages more than 78,000 hectares of rubber plantations located across Africa and Asia, and operates 12 rubber processing plants located in Thailand, Indonesia, Cameroon, Gabon and Cote d'Ivoire with a total annual capacity of 527,000 tonnes.

The GMG group's products include tyre-grade rubber used in the manufacture of industrial vehicle tyres, and centrifuged and blocked rubbers of latex used in the

manufacture of medical-grade gloves and contraceptives. Its customers include some of the world's top tyre manufacturers and medical equipment companies. In the financial year ended 31 December 2014, more than 50% of GMG's natural rubber shipments were made to Europe and the PRC, with the rest made to diversified markets including South Korea, the Americas, India and Thailand.

4. OFFER TERMS

Subject to and contingent upon the satisfaction (or waiver) of the applicable Pre-Conditions, HAC will make the GMG VGO for all the Offer Shares subject to and upon the following principal terms and conditions:

- 4.1 **Offer Shares.** The GMG VGO will be made for all the Offer Shares in accordance with Rule 15 of the Code and subject to the terms and conditions to be set out in the Formal Offer Announcement and the GMG VGO Offer Document to be issued by Deutsche Bank, for and on behalf of the Offeror, to the GMG Shareholders in connection with the GMG VGO.
- 4.2 **Offer Consideration.** The consideration for each Offer Share will be satisfied by the allotment and issuance of new fully paid-up HAC Shares on the following basis (the "Offer Consideration"):

For every one (1) Offer Share: 0.9333 new fully paid-up ordinary shares in the capital of HAC (the "HAC Consideration Shares").

Any fractional entitlements to the HAC Consideration Shares will be rounded down to the nearest whole HAC Consideration Share.

Upon issue, the HAC Consideration Shares will be credited as fully paid-up and free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever and will rank *pari passu* in all respects with the existing HAC Shares as at the date of their issue, save that they will not rank for any dividend, rights, allotments or other distributions, the record date for which falls on or before the date of completion of the allotment and issuance of the new HAC Consideration Shares.

- 4.3 **No Encumbrances.** The Offer Shares will be acquired:

- (a) properly and validly issued and fully paid-up;
- (b) free from any mortgage, assignment, debenture, lien, hypothecation, charge, pledge, adverse claim, rent-charge, title retention, claim, equity, option, pre-emption right (other than those which appear in GMG's articles of association or constitutive document), right to acquire, security agreement and security interest or other right of whatever nature; and
- (c) together with all rights, benefits and entitlements attached thereto (including the right to receive and retain all dividends, rights and other distributions or return of capital, if any which may be announced, declared, paid or made thereon by GMG) as at the date of the Formal Offer Announcement.

If any dividend, right or other distribution or return of capital is announced, declared, paid or made by the Company on or after the date of this Announcement, the Offeror reserves the right to reduce the Offer Consideration payable to such accepting GMG Shareholder by an amount equivalent to such dividend, right, other distribution or return of capital.

- 4.4 **Minimum Acceptance Condition.** The GMG VGO (if and when made) will be conditional upon the Offeror receiving, valid acceptances in respect of such number of Offer Shares which, when taken together with the GMG Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (either before or during the GMG VGO and pursuant to the GMG VGO or otherwise), would result in the Offeror holding such number of GMG Shares carrying more than 50% of the voting rights attributable to the issued GMG Shares (excluding treasury shares), by the closing date of the GMG VGO (the “**Closing Date**”). Pursuant to the SIO Undertaking, the GMG VGO (if and when made), will become unconditional as to acceptances upon SIO tendering its GMG Shares (representing approximately 51.12% of the total issued share capital of GMG) in acceptance of the GMG VGO.
- 4.5 **Further Details.** Further information on the GMG VGO (if and when made) and the terms and conditions upon which the GMG VGO will be made, shall be set out in the GMG VGO Offer Document to be issued.

5. FINANCIAL EVALUATION OF THE GMG VGO

Based on the offer price of S\$0.75 for each ordinary share of the Offeror under the HAC MGO (if and when made), the consideration for each GMG Share (which is to be satisfied by the allotment and issuance of 0.9333 HAC Consideration Shares) would have an implied value of S\$0.70, representing the following premium over or discount to the historical transacted prices of the GMG Shares on the SGX-ST:

Period	GMG Share Price (S\$)	Premium over / (Discount to) GMG Share Price (%)
Volume weighted average price (“ VWAP ”) per GMG Share on 23 March 2016 prior to the trading halt on GMG Shares, preceding the date of this Announcement (the “ Last Trading Day ”)	0.612	14.3
Last undisturbed transacted price per GMG Share on 11 January 2016, the last full market day prior to the queries of the SGX-ST on 12 January 2016 in relation to media reports on the same day concerning Sinochem and HAC (the “ Last Undisturbed Trading Day ”)	0.300	133.3
VWAP per GMG Share for the one (1) month period up to and including 11 January 2016	0.314	122.8
VWAP per GMG Share for the three (3) month period up to and including 11 January 2016	0.356	96.4
VWAP per GMG Share for the six (6) month period up to and including 11 January 2016	0.375	86.9
VWAP per GMG Share for the twelve (12) month period up to and including 11 January 2016	0.630	11.0

Source: Bloomberg L.P.

Swap Ratio

The table below sets out the implied value of each GMG Share by a swap ratio of 0.9333 HAC Consideration Shares for every one (1) GMG Share (the “**Swap Ratio**”), and the analysis of the implied swap ratio based upon the VWAP of GMG Shares and VWAP of HAC Shares for the 1-month, 3-month, 6-month and 12-month periods up to 11 January 2016, being the Last Undisturbed Trading Day, and 23 March 2016, being the Last Trading Day.

Basis	GMG Share Price (S\$)	HAC Share Price (S\$)	Implied Value of GMG Share ⁽¹⁾ (S\$)	Implied Swap Ratio	Premium/(Discount) of Swap Ratio Over Implied Swap Ratio ⁽²⁾
VWAP on 23 March 2016, the Last Trading Day	0.612	0.727	0.678	0.8423	10.8%
Last transacted price on 11 January 2016, being the Last Undisturbed Trading Day	0.300	0.635	0.593	0.4724	97.6%
VWAP for the one (1) month period up to and including 11 January 2016	0.314	0.665	0.620	0.4726	97.5%
VWAP for the three (3) month period up to and including the 11 January 2016	0.356	0.696	0.650	0.5119	82.3%
VWAP for the six (6) month period up to and including the 11 January 2016	0.375	0.637	0.594	0.5885	58.6%
VWAP for the twelve (12) month period up to and including the 11 January 2016	0.630	0.668	0.624	0.9438	(1.1%)

Notes:

- (1) Implied value of GMG Share calculated as the HAC share price for each corresponding period multiplied by the swap ratio of 0.9333.
- (2) Implied premium or discount calculated as the Swap Ratio of 0.9333 over the implied swap ratio for each respective period.

6. RATIONALE FOR THE GMG VGO AND THE OFFEROR'S INTENTIONS FOR THE COMPANY

6.1 Rationale for the GMG VGO

The GMG VGO (if and when made) provides an opportunity for GMG Shareholders to swap their GMG Shares for the HAC Consideration Shares, whereupon they shall become shareholders of the Offeror, which would be the world's largest and most comprehensive natural rubber supply chain manager upon the completion of the GMG VGO and the NR Assets Acquisition. Further details of the NR Assets Acquisition are set out in the Offeror's announcement dated 28 March 2016.

The Offeror's strategy to establish itself as a world leading natural rubber supply chain manager is based upon having the scale, scope and reach to provide customers with the natural rubber they need, whenever and wherever they need it. The completion of the GMG VGO and the NR Assets Acquisition would significantly enhance the Offeror's capabilities in every aspect of this strategy, increase the scale of the Offeror's activities substantially, broaden the scope of the business by adding operations in new geographies and extend its reach by adding new customers and markets.

By accepting the GMG VGO, GMG Shareholders would be provided with immediate geographical diversification of operations and extension of distribution reach.

Furthermore, the GMG Shareholders can potentially benefit from synergy opportunities of the enlarged HAC group through common corporate infrastructure, sharing best practices and economies of scale.

6.2 Offeror's intentions in relation to the Company

Upon completion of the GMG VGO (if and when made), the Offeror may undertake a strategic and operational review of the organisation, business and operations of GMG group with a view to realise synergies and growth potential. It is the intention of the Offeror to ensure continuity of the GMG group's operations and to lead GMG to further growth and development.

The Offeror presently has no intention to introduce any major changes to the business of the GMG group, or to discontinue the employment of any of the existing employees of the GMG group or re-deploy any of the fixed assets of the GMG group, other than in the ordinary course of business.

7. LISTING STATUS AND COMPULSORY ACQUISITION

- 7.1 Listing Status.** Pursuant to Rule 1105 of the Listing Manual of the SGX-ST ("**Listing Manual**"), upon an announcement by the Offeror that acceptances have been received pursuant to the GMG VGO that bring the holdings owned by the Offeror and parties acting in concert with it to above 90% of the total number of issued GMG Shares (excluding treasury shares), the SGX-ST may suspend the trading of the GMG Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of issued GMG Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued GMG Shares (excluding treasury shares), thus causing the percentage of the total number of issued GMG Shares (excluding treasury shares)

held in public hands to fall below 10%, the SGX-ST will suspend trading of the GMG Shares only at the Closing Date.

In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of issued GMG Shares (excluding treasury shares) held in public hands falls below 10%, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the GMG Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, to raise the percentage of GMG Shares (excluding treasury shares) in public hands to at least 10%, failing which the Company may be removed from the official list of the SGX-ST.

- 7.2 **Compulsory Acquisition.** Pursuant to Section 215(1) of the Companies Act, Chapter 50 of Singapore (“**Companies Act**”), in the event that the Offeror receives valid acceptances pursuant to the GMG VGO (or otherwise acquires GMG Shares during the period when the GMG VGO is open for acceptance) in respect of not less than 90% of the total number of issued GMG Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the GMG VGO and excluding any GMG Shares held by the Company as treasury shares), the Offeror would be entitled to exercise the right to compulsorily acquire all the GMG Shares of the GMG Shareholders who have not accepted the GMG VGO (the “**Dissenting Shareholders**”) at a price equal to the Offer Consideration.

In addition, Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their GMG Shares at a price equal to the Offer Consideration in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the GMG VGO, such number of GMG Shares which, together with the GMG Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of issued GMG Shares (excluding any GMG Shares held by the Company as treasury shares). Dissenting Shareholders who wish to exercise such rights are advised to seek their own independent legal advice.

- 7.3 **Offeror's Intentions.** In the event the Offeror receives acceptances for the GMG VGO such that less than 10% of the total number of issued GMG Shares (excluding any shares held by the Company as treasury shares) are held in public hands, the Offeror presently has no intention to support any action or take any steps to maintain the listing status of GMG on the SGX-ST, and (if and when entitled) intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act.

8. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

- 8.1 **Holdings of Company Securities.** As at the date of this Announcement, and based on the latest information available to the Offeror, save as disclosed in Schedule 1, none of the Offeror, the wholly owned subsidiaries of the Offeror, the directors of the Offeror and Deutsche Bank (the “**Relevant Persons**”) owns, controls or has agreed (other than pursuant to the SIO Undertaking) to acquire any:

- (a) GMG Shares;
- (b) securities which carry voting rights in the Company; or
- (c) convertible securities, warrants, options or derivatives in respect of the GMG Shares or securities which carry voting rights in the Company,

(collectively, the “**Company Securities**”).

Dealings in Company Securities. Save as disclosed in Schedule 1, none of the Relevant Persons has dealt for value in any Company Securities during the three (3)-month period immediately preceding the date of this Announcement and up to the date of this Announcement (the “**Reference Period**”).

8.2 **Holdings of Offeror Securities.** As at the date of this Announcement, and based on the latest information available to the Offeror, save as disclosed in Schedule 2, none of the Relevant Persons owns, controls or has agreed to acquire any:

- (a) HAC Shares;
- (b) securities which carry voting rights in HAC; or
- (c) convertible securities, warrants, options or derivatives in respect of HAC Shares or securities which carry voting rights in the Company,

(collectively, the “**Offeror Securities**”).

Dealings in Offeror Securities. Save as disclosed in Schedule 2 and in the Pre-Conditional HAC MGO Announcement, none of the Relevant Persons has dealt for value in any Offeror Securities during the Reference Period.

8.3 **Irrevocable Undertakings.** Save for the SIO Undertaking, none of the Relevant Persons has received any irrevocable undertaking from any party to accept or reject the GMG VGO as at the date of this Announcement.

8.4 **Other Arrangements.** Save as disclosed in this Announcement, as at the date of this Announcement and based on the latest information available to the Offeror, none of the Offeror, the wholly owned subsidiaries of the Offeror and the directors of the Offeror has:

- (a) granted any security interest relating to any Company Securities to another person, whether through a charge, pledge or otherwise;
- (b) borrowed any Company Securities from another person (excluding borrowed Company Securities which have been on-lent or sold); or
- (c) lent any Company Securities to another person.

8.5 **Confidentiality.** In the interests of confidentiality, the Offeror has not made enquiries in respect of certain other parties who are or may be presumed to be acting in concert with the Offeror in connection with the GMG VGO (if and when made). Further enquiries will be made of such persons and the relevant disclosures will be made in due course and in the GMG VGO Offer Document.

9. **GMG VGO OFFER DOCUMENT**

Full details of the GMG VGO (if and when made) will be contained in the GMG VGO Offer Document (containing the terms and conditions of the GMG VGO and enclosing the relevant form(s) of acceptance to be despatched to the GMG Shareholders not earlier than 14 days and not later than 21 days from the date of the Formal Offer Announcement, if made.

10. **OVERSEAS SHAREHOLDERS**

This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in

any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of applicable law. The GMG VGO (if and when made), will be made solely by the GMG VGO Offer Document and the relevant form(s) of acceptance accompanying the same, which will contain the full terms and conditions of the GMG VGO, including details of how it may be accepted. For the avoidance of doubt, the GMG VGO (if and when made) is open to all GMG Shareholders holding GMG Shares, including those to whom the GMG VGO Offer Document and relevant form(s) of acceptance may not be sent.

The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Announcement is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Announcement and any formal documentation relating to the GMG VGO are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the GMG VGO would violate the law of that jurisdiction (a “**Restricted Jurisdiction**”) and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The GMG VGO (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the GMG VGO will not be capable of acceptance by any such use, means, instrumentality or facilities.

The ability of GMG Shareholders who are not resident in Singapore to accept the GMG VGO may be affected by the laws of the relevant jurisdictions in which they are located. Persons who are not resident in Singapore should inform themselves of, and observe, any applicable requirements.

11. CAUTIONARY STATEMENT

GMG Shareholders and potential investors should exercise caution when trading in the GMG Shares, and where in doubt as to the action they should take, they should consult their stockbroker, bank manager, accountant, solicitor, tax adviser or other professional advisers.

12. RESPONSIBILITY STATEMENT OF THE DIRECTORS

The directors of the Offeror (“**Directors**”) collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the GMG VGO, the Offeror and its subsidiaries, and 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.

Issued by
Deutsche Bank AG, Singapore Branch

For and on behalf of
Halcyon Agri Corporation Limited

28 March 2016

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “shall”, “should”, “could”, “may” and “might”. These statements reflect the Offeror’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. GMG Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Offeror nor Deutsche Bank undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

Any enquiries relating to this Announcement or the GMG VGO should be directed during office hours to:

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Schedule 1

1. Details of Holdings in Company Securities by the Relevant Persons

The holdings of Company Securities of the Relevant Persons as at the date of this announcement are set out below:

Name	Total Interests	
	No. of Shares	%
Pascal Demierre	42,000	0.00
Deutsche Bank	597,819	0.08

2. Details of Dealings in Company Securities by the Relevant Persons

The dealings in Company Securities by each of the Relevant Persons (if any) during the Reference Period are set out below:

Name	Date	No. of Shares Acquired	No. of Shares Disposed	Transaction Price per Share (S\$)
Deutsche Bank	14 Mar 2016	20	-	0.530
Deutsche Bank	14 Mar 2016	50	-	0.530

Schedule 2

1. Details of Holdings of Offeror Securities by the Relevant Persons

The holdings of Offeror Securities of the Relevant Persons as at the date of this announcement are set out below:

Name	Total Interests	
	No. of Shares	%
Deutsche Bank	60,000	0.01
Robert Meyer ⁽¹⁾	179,642,000	29.94
Pascal Demierre	21,774,576	3.63

Note:

- (1) Robert Meyer is deemed interested in the 179,092,000 HAC Shares held by Angsana Capital Ltd., a company indirectly-owned by him, and 550,000 HAC Shares held by his father, Gunther Richard Meyer.

2. Details of Dealings in Offeror Securities by the Relevant Persons

The dealings in Offeror Securities by each of the Relevant Persons (if any) during the Reference Period are set out below:

Name	Date	No. of Shares Acquired	No. of Shares Disposed	Transaction Price per Share (S\$)
Deutsche Bank	28 Dec 2015	-	4,900	0.669
Deutsche Bank	28 Dec 2015	-	200	0.668
Deutsche Bank	29 Dec 2015	-	7,100	0.662
Deutsche Bank	29 Dec 2015	-	400	0.662
Deutsche Bank	30 Dec 2015	-	38,500	0.686
Deutsche Bank	30 Dec 2015	10,000	-	0.705
Deutsche Bank	30 Dec 2015	-	10,000	0.670
Deutsche Bank	30 Dec 2015	-	2,400	0.686
Deutsche Bank	31 Dec 2015	-	8,200	0.671
Deutsche Bank	31 Dec 2015	-	500	0.671
Deutsche Bank	04 Jan 2016	-	11,600	0.671
Deutsche Bank	04 Jan 2016	-	700	0.671
Deutsche Bank	05 Jan 2016	-	2,400	0.669
Deutsche Bank	05 Jan 2016	-	100	0.669
Deutsche Bank	06 Jan 2016	-	9,100	0.662
Deutsche Bank	06 Jan 2016	-	600	0.662
Deutsche Bank	07 Jan 2016	-	9,900	0.642
Deutsche Bank	07 Jan 2016	-	600	0.642
Deutsche Bank	08 Jan 2016	-	10,900	0.624
Deutsche Bank	08 Jan 2016	-	800	0.624
Deutsche Bank	26 Jan 2016	88,800	-	0.675
Deutsche Bank	26 Jan 2016	40,000	-	0.656
Deutsche Bank	27 Jan 2016	15,100	-	0.672
Deutsche Bank	27 Jan 2016	-	6,200	0.670
Deutsche Bank	28 Jan 2016	-	23,200	0.669
Deutsche Bank	29 Jan 2016	9,200	-	0.690
Deutsche Bank	29 Jan 2016	-	37,900	0.685
Deutsche Bank	01 Feb 2016	-	16,600	0.702
Deutsche Bank	02 Feb 2016	8,800	-	0.695

Name	Date	No. of Shares Acquired	No. of Shares Disposed	Transaction Price per Share (S\$)
Deutsche Bank	03 Feb 2016	46,100	-	0.690
Deutsche Bank	04 Feb 2016	7,900	-	0.695
Deutsche Bank	05 Feb 2016	20,600	-	0.695
Deutsche Bank	10 Feb 2016	11,100	-	0.685
Deutsche Bank	11 Feb 2016	13,100	-	0.685
Deutsche Bank	12 Feb 2016	2,100	-	0.695
Deutsche Bank	15 Feb 2016	-	11,000	0.710
Deutsche Bank	16 Feb 2016	-	41,400	0.707
Deutsche Bank	16 Feb 2016	11,500	-	0.708
Deutsche Bank	17 Feb 2016	24,800	-	0.690
Deutsche Bank	17 Feb 2016	-	4,600	0.690
Deutsche Bank	18 Feb 2016	-	5,100	0.695
Deutsche Bank	19 Feb 2016	-	7,400	0.690
Deutsche Bank	22 Feb 2016	2,500	-	0.685
Deutsche Bank	23 Feb 2016	22,600	-	0.685
Deutsche Bank	23 Feb 2016	-	27,300	0.685
Deutsche Bank	24 Feb 2016	-	21,000	0.671
Deutsche Bank	25 Feb 2016	-	17,900	0.677
Deutsche Bank	26 Feb 2016	-	15,400	0.680
Deutsche Bank	29 Feb 2016	8,900	-	0.677
Deutsche Bank	29 Feb 2016	-	2,200	0.675
Deutsche Bank	01 Mar 2016	-	6,500	0.675
Deutsche Bank	02 Mar 2016	-	11,500	0.680
Deutsche Bank	03 Mar 2016	32,200	-	0.685
Deutsche Bank	03 Mar 2016	-	2,200	0.680
Deutsche Bank	04 Mar 2016	61,900	-	0.690
Deutsche Bank	07 Mar 2016	-	10,200	0.685
Deutsche Bank	07 Mar 2016	6,500	-	0.690
Deutsche Bank	08 Mar 2016	-	36,800	0.685
Deutsche Bank	08 Mar 2016	5,000	-	0.685
Deutsche Bank	09 Mar 2016	-	23,300	0.680
Deutsche Bank	10 Mar 2016	-	5,100	0.680
Deutsche Bank	16 Mar 2016	-	4,600	0.685
Deutsche Bank	18 Mar 2016	-	5,000	0.690
Deutsche Bank	22 Mar 2016	-	56,300	0.711
Deutsche Bank	22 Mar 2016	20,000	-	0.715

Appendix 3 – Unaudited proforma financial information of the NR Assets

A summary of the unaudited proforma financial information of the NR Assets for each of FY2013, FY2014 and FY2015 and a summary of the unaudited proforma balance sheet of the NR Assets as of 31 December 2015, are set out below:

Summary of the unaudited proforma income statement of the NR Assets

US\$ millions ⁽¹⁾	FY2013	Unaudited	
		FY2014	FY2015
Revenue ⁽²⁾	1,260.3	1,000.7	1,016.9
Profit/(Loss) before tax	5.9	(2.7)	13.5
Profit/(Loss) after tax	3.9	(2.9)	10.7

Summary of the unaudited proforma statement of financial position of the NR Assets

US\$ millions ⁽³⁾	Unaudited	
	As at 31 December 2015	
Current assets ⁽⁴⁾	96.6	
Non-current assets	47.5	
Current liabilities ⁽⁴⁾	48.3	
Non-current liabilities	2.1	
Net assets	93.7	

Notes:

- (1) Translated at average exchange rate for the respective year, including US\$1.00:CNY6.285 for FY2015; US\$1.00:CNY6.162 and US\$1.00:MYR3.273 for FY2014; as well as US\$1.00:CNY6.148 and US\$1.00:MYR3.150 for FY2013
- (2) Adjusted for inter-company elimination of sales between SIO's natural rubber trading and distribution business division and Euroma
- (3) Translated at ending exchange rate of US\$1:CNY6.494 as at 31 December 2015
- (4) Adjusted for inter-company elimination of receivables and payables between SIO's natural rubber trading and distribution business and Euroma