

HALCYON AGRI CORPORATION LIMITED

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

DISPOSAL OF 54.5 HECTARES OF LAND HELD BY TROPICAL RUBBER CÔTE D'IVOIRE S.A.

The Board of Directors (the “**Board**”) of Halcyon Agri Corporation Limited (“**HAC**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that:

1. The Company’s 70% indirectly owned subsidiary, Tropical Rubber Côte d’Ivoire S.A. (“**TRCI**”) has successfully applied for and converted its 206 hectares (the “**Freehold Land**”) of leasehold land¹ to freehold land titles (*Arrêté de Concession Définitive*). The Freehold Land is located on the outskirts of Abidjan, along the Autoroute du Nord, the highway that connects Abidjan (the commercial capital) with Yamoussoukro (the administrative capital), of Côte d’Ivoire . The Freehold Land is situated in a strategic area that is slowly changing from agricultural-focused site to one that features more urban characteristics.
2. TRCI has entered into various sale and purchase agreements (collectively, the “**SPA**”) in December 2021, for the disposal of an aggregate of 54.5 hectares of the Freehold Land (the “**Land**”) to four (4) buyers (the “**Buyers**”), at an aggregate sale consideration of FCFA 11.1 billion (equivalent to approximately US\$ 19.0 million²) in cash (the “**Sale Consideration**”) (the “**Land Sale**”).
3. The Sale Consideration of the Land was arrived on a willing-buyer willing-seller basis, after arms’ length negotiations between TRCI and each of the Buyers, taking into account (i) the size of the land under each SPA, (ii) the condition of each piece of Land and its proximity to infrastructure that is strategic for development, (iii) the terms of payment and (iv) the indicative market value of the Freehold Land. TRCI has received an aggregate consideration of FCFA3.2 billion (equivalent to US\$5.4 million, representing 28.5% of the Sale Consideration) from the Buyers, with the remaining amount to be received in 2022.
4. Based on the latest audited financial statements of TRCI for the financial year ended 31 December 2020 (“**FY2020**”), the book value of the Freehold Land is approximately US\$303,000. Pursuant to the letter from an independent firm of professional valuers, Knight Frank LLP dated 23 December 2021, based on desktop valuation of the Freehold Land, the market value for land situated in the vicinity of the Freehold Land³ ranges from FCFA19,000 to FCFA28,000 per square meter. The aggregate market value of the Land is therefore between US\$17.7 million to US\$26.1 million².
5. The relative figures of the SPA entered into with each Buyer under Rule 1006 of the Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited, constitutes a “Non-discloseable Transaction” within the meaning of chapter 10 of the Listing Manual.

¹ The 206 hectares of land form part of TRCI’s estate of 66 years under the emphyteutic leases from the State of Côte d’Ivoire commencing 24 February 1995.

² Translated at the Group’s exchange rate of FCFA584.48 to US\$1.00 as of 30 November 2021.

³ Valuation assessment was made on the basis of a collation and analysis of appropriate comparable listings, together with evidence of demand within the vicinity of the Freehold Land, a bare site basis with vacant possession and on the special assumption that it excludes the cost of removing buildings, plant and machinery and rubber trees.

6. As previously disclosed, the Group has undertaken a review of its assets portfolio to identify underperforming assets and non-core assets for possible divestment. The objective of this exercise is to optimise returns on capital, unlock the value of these assets through opportunistic disposal and raise cash to reduce the Group's borrowings.
7. The Board believes that the Land Sale is in the best interests of the Company and its shareholders, as the disposal of non-core and undeveloped Land is part of the Group's deleveraging plan to strengthen its capital structure, with the objective of investing the proceeds from such disposal for future growth of the Group's core businesses. The disposal of the Land is not expected to have a significant effect on the Company's existing operations or its risk profile.
8. The Company expects to realise a gain of approximately FCFA6.2 billion upon completion of the Land Sale (equivalent to US\$10.6 million⁴, based on the exchange rate of FCFA584.48 to US\$1.00 as of 30 November 2021), after deducting incidental costs and related expenses, and this is expected to have a positive impact on the earnings per share ("EPS") and net tangible assets ("NTA") per share of the Group for the financial year ending 31 December 2021. For illustration purpose, had the Land Sale been effected in FY2020, being the most recently completed financial year, the effect of the Land Sale on FY2020 EPS and NTA assuming (i) a gain of approximately US\$11.6 million⁴ based on the exchange rate of FCFA534.56 to US\$1.00 as of 31 December 2020 and (ii) the remaining 151.5 hectares of Freehold Land that has not been sold will continue to be carried at its net book value, is as follows:
 - (a) 0.51 US cents improvement in EPS, from loss per share of 3.43 US cents to loss per share of 2.92 US cents; and
 - (b) 0.73 US cents improvement in NTA per share, from 28.13 US cents to 28.85 US cents.
9. The Company shall make further announcement(s) as and when there are other material developments to its efforts to dispose of the remaining Freehold Land, as well as the other non-core assets which have been earmarked for possible divestment.
10. As at the date hereof, none of the Directors and to the best of the Directors' knowledge, none of the controlling shareholder of the Company or their respective associates has any interest, direct or indirect, in the Land Sale, other than that arising from their respective shareholdings and/or directorships, as the case may be, in the Company.
11. Shareholders and potential investors should exercise caution when trading in the Company's securities, and where in doubt as to the action they should take, they should consult their financial, tax or other advisors.

By Order of the Board

Liew Guat Yi
Company Secretary
29 December 2021

⁴ The gain is recognised in local currency at FCFA6.2 billion. The variance between the USD amount of gain on disposal for FY2020 and FY2021 are due to the effect of currency exchange rates applicable during the stated period.