

HALCYON AGRI CORPORATION LIMITED

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

EXPIRY OF THE FURTHER EXTENSION OF TIME FOR THE COMPANY TO COMPLY WITH RULE 723 OF THE LISTING MANUAL

1. INTRODUCTION

- 1.1. The board of directors (the “**Board**”) of Halcyon Agri Corporation Limited (the “**Company**”) wishes to refer shareholders of the Company (the “**Shareholders**”) to:
 - 1.1.1. the announcement dated 22 March 2023 made by China International Capital Corporation (Singapore) Pte. Limited (“**CICC**”) for and on behalf of China Rubber Investment Group Company Limited (the “**Offeror**”) in relation to the level of acceptances of the offer and loss of free float;
 - 1.1.2. the announcement dated 22 March 2023 made by the Company in relation to the level of acceptances of the offer and the loss of free float;
 - 1.1.3. the announcement dated 24 April 2023 made by CICC for and on behalf of the Offeror in relation to, *inter alia*, the close of the Offer;
 - 1.1.4. the announcement dated 24 April 2023 made by the Company in relation to the close of the Offer;
 - 1.1.5. the request for suspension announcement dated 25 April 2023 made by the Company;
 - 1.1.6. the announcement dated 19 June 2023 made by the Company in relation to the grant by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) of the period of three (3) months till 23 July 2023 to comply with Rule 723 of the Listing Manual;
 - 1.1.7. the announcement dated 21 July 2023 made by the Company in relation to the application by the Company to the SGX-ST for a further extension of time to comply with Rule 723 of the Listing Manual;
 - 1.1.8. the announcement dated 8 September 2023 made by the Company in relation to the grant by the SGX-ST of a further period of three (3) months till 23 October 2023 to comply with Rule 723 of the Listing Manual;
 - 1.1.9. the announcement dated 20 October 2023 made by the Company in relation to the application by the Company to the SGX-ST for a further extension of time to comply with Rule 723 of the Listing Manual;
 - 1.1.10. the announcement dated 1 December 2023 made by the Company in relation to the grant by the SGX-ST of a further period of six (6) months till 23 April 2024 to comply with Rule 723 of the Listing Manual;
 - 1.1.11. the announcement dated 23 April 2024 made by the Company in relation to the application by the Company to the SGX-ST for a further extension of time to comply with Rule 723 of the Listing Manual,
 - 1.1.12. the announcement dated 23 July 2024 made by the Company in relation to the application by the Company to the SGX-ST for a further extension of time to comply with Rule 723 of the Listing Manual;

1.1.13. the announcement dated 8 August 2024 made by the Company in relation to the grant by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) of the period till 23 August 2024 to comply with Rule 723 of the Listing Manual;

(collectively, the “**Previous Announcements**”).

Unless otherwise defined, all capitalised terms used in this announcement shall have the meaning ascribed to them in the Previous Announcements.

2. EXPIRY OF THE FURTHER EXTENSION OF TIME

The Board wishes to announce that the further extension of time till 23 August 2024, granted by SGX-ST for the Company to explore options that will enable the Company to comply with Rule 723 of the Listing Manual, had expired.

In spite of the various efforts undertaken, the Company is not able to restore the free float in compliance with Rule 723 of the Listing Manual.

3. ACTIONS TAKEN TO RESTORE THE FREE FLOAT

After the close of the mandatory conditional cash offer (“**MGO**”) by China Rubber Investment Group Company Limited (“**CRIG**”), a wholly-owned subsidiary of China Hainan Rubber Industry Group Co., Ltd. (“**HRG**”), a working team comprising members from CRIG/HRG and the Company was jointly established to work on restoring the free float of the Company.

The working team had approached several financial advisers (collective, the “**FAs**”) to discuss about restoration of the free float of the Company. Compliance placement was explored, with various options considered: (a) transferring a percentage of shares held by CRIG to third party transferee(s); (b) issuing and allotting new shares of the Company to third party subscriber(s), including issuance of shares to employees; and/or a combination of (a) and (b) (collectively, “**Compliance Placement**”).

As a relevant background, HRG is a People’s Republic of China (“**PRC**”) Hainan Province Government state-owned enterprise (“**PRC SOE**”) listed on the Shanghai Stock Exchange. As a PRC SOE, HRG (and CRIG, being its wholly-owned subsidiary) are required to adhere to the regulatory requirements promulgated by the State-owned Assets Supervision and Administration Commission of Hainan Province (“**Hainan SASAC**”), the PRC Ministry of Finance and the China Securities Regulatory Commission, in respect of the consideration for which the shares in the Company may be transferred by CRIG. Pursuant to such regulatory requirements, the minimum price per share at which the shares in the Company can be transferred by CRIG to identified investor(s) is S\$0.41 (or its USD equivalent) (the “**Minimum Price**”), being the average of the daily weighted average price of the 30 trading days prior to the suspension in trading of the Company’s shares.

The Minimum Price requirement had posed a significant challenge to effecting the Compliance Placement. The unanimous view amongst the FAs was that current market conditions are not favourable for a Compliance Placement, the Minimum Price requirement being one of the key challenges.

Feedback from potential investors approached by the working group had also been largely negative or unenthusiastic due, inter alia, to the Minimum Price, concerns and considerations in respect of the global economic situation, industry and financial outlook, market sentiment as well as the Company’s recent financial performance.

The possibility of issuing and allotting new shares of the Company to third party subscriber(s) had also been considered by the Company. Given that the Company does not have a general mandate for issuance and allotment of new shares, shareholders’ approval must be obtained for any issuance and allotment of new shares. The Board understands, however,

that such shareholders' approval is unlikely to be obtained given that HRG and CRIG (which holds 68.1% of the issued shares of the Company), being restricted by the requirements of Hainan SASAC, will not be able to approve an issuance and allotment of new shares in the Company for a price that is lower than the Minimum Price.

Being unable to restore the free float of the Company despite the working team having applied extensive efforts and exhausting the various options, the Board foresees that it will continue to be very challenging for the Company to take any action to restore the public float and therefore will not apply for a further extension of time to comply with Rule 723 of the Listing Manual.

By Order of the Board

Wong Teck Kow
Company Secretary
23 August 2024