

# HALCYON AGRI CORPORATION LIMITED

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

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## POTENTIAL ACQUISITION OF SUBSIDIARIES OF CENTROTRADE HOLDING AG (THE "POTENTIAL ACQUISITION")

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### 1. INTRODUCTION

1.1 Further to the announcement dated 31 October 2014, the Board of Directors (the "**Board**") of Halcyon Agri Corporation Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the wholly owned subsidiary of the Company, Hevea International Pte. Ltd. (the "**Purchaser**" or "**Hevea International**") has on 10 November 2014, entered into a Memorandum of Understanding (the "**MOU**") with Raiffeisen Centrobank AG ("**RCB**") and Centrotech Holding AG ("**Centrotech**") (collectively the "**Vendors**"), for the acquisition (the "**Potential Acquisition**") by Hevea International, of:

(a) 100% issued and paid up shares in the following wholly owned subsidiaries of Centrotech ("**Centrotech Subsidiaries**"), namely:

- (i) Centrotech Deutschland GmbH, a company incorporated in Germany ("**Centrotech Deutschland**");
- (ii) Centrotech Commodities Malaysia Sdn. Bhd., a company incorporated in Malaysia ("**Centrotech Malaysia**");
- (iii) Centrotech Singapore Pte Ltd, a company incorporated in Singapore ("**Centrotech Singapore**"); and
- (iv) Centrotech Minerals & Metals, Inc., a company incorporated in the United States of America ("**CTMM**"),

**OR**

(b) 100% issued and paid up shares in Centrotech Deutschland, Centrotech Malaysia and Centrotech Singapore together with the business undertaking and properties of CTMM,

(hereinafter referred to as the "**Target**").

1.2 Centrotech group is a leading distributor of rubber products, specialising in natural rubber, synthetic rubber, natural latex, Revertex™ and various other speciality grades. The Centrotech group is known for strong technical capabilities and operates several warehouses and storage tanks in Europe, South Africa and the US.

1.3 The Board believes that the Potential Acquisition is in the best interests of the Company and its shareholders as the Target is a long-established and well-regarded global distributor of rubber, with operations that are highly complementary to the Group's existing business, including the recently acquired New Continent Enterprises (Private) Limited. The Potential Acquisition would establish the Group with a world-leading sourcing and distribution network for natural rubber products.

## 2. SALIENT TERMS OF THE MOU

### 2.1 Execution of Definitive Agreement

Save for the conditions set out in paragraph 2 herein and certain standard conditions and/or legal terms, the MOU does not constitute a legally-binding commitment of the parties to the MOU in respect of the sale or purchase of the Target, and the Potential Acquisition is subject to the execution of legally binding agreement(s) for the Potential Acquisition (the “**Definitive Agreement**”).

### 2.2 Purchase Consideration

2.2.1 Subject to the Definitive Agreement, the total purchase price for the Target shall be determined based on the sum of:

- (a) the audited net asset value of the Centrotech Subsidiaries as of 31 December 2014 (“**NAV**”);
- (b) the value of the forward profit which has not been included in the NAV; and
- (c) a premium of USD2,550,000 (United States Dollars two million five hundred fifty thousand).

2.2.2 Pursuant to the MOU, the Group shall pay USD1,000,000 which constitutes part of the premium as set out in paragraph 2.2.1(c), to the Vendors as non-refundable cash down-payment within 3 working days after the signing of the MOU.

2.2.3 The purchase consideration will be fully funded in cash through existing internal resources.

### 2.3 Due Diligence

Hevea International will, for a period ending on 15 December 2014, have the opportunity to conduct detailed commercial, financial and legal due diligence on Centrotech Subsidiaries (the “**Due Diligence**”).

### 2.4 Conditions Precedent for entering into Definitive Agreement

The entering into the Definitive Agreement shall be subject to, *inter alia*,

- (a) Due Diligence being completed to the satisfaction of the Purchaser;
- (b) all necessary approvals and consents to enter into the Potential Acquisition having been irrevocably obtained from the boards of each of the Purchaser and Vendors; and
- (c) Definitive Agreement satisfactory to Vendors and Purchaser.

### 2.5 Conditions Precedent for completion of the Potential Acquisition

Completion of the Potential Acquisition shall be subject to the following conditions:

- (a) any approval and consent of all relevant governmental authorities governing each of the Purchaser and Vendors and relevant third parties (if any), having been irrevocably obtained;
- (b) there are no proceedings or investigation having commenced, or threatened to commence by government or other person, which would prohibit, materially restrict or materially delay the process of the Potential Acquisition;

- (c) the key senior management of the Centrotech Subsidiaries, signing new 3-year service agreements (with effect from completion date) based upon reasonable market terms and conditions; and
- (d) further conditions as may be mutually agreed upon by the Vendors and Purchaser.

## 2.6 Exclusivity

The period of exclusivity provided by the Vendors to the Group on 21 October 2014 shall be valid until 31 December 2014.

## 3. FURTHER INFORMATION

The Company shall make further announcement(s) as and when there are material developments to the Potential Acquisition.

## 4. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the date hereof, none of the Directors and to the best of the Directors' knowledge, none of the controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in the Potential Acquisition, other than that arising from their respective shareholdings in the Company, if any.

## 5. CAUTIONARY STATEMENT

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

By Order of the Board

Pascal Demierre  
Executive Director  
10 November 2014

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*The Company was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 1 February 2013. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor").*

*This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Mr Mark Liew, Managing Director, Corporate Finance, at 20 Cecil Street, #21-02 Equity Plaza, Singapore 049705, telephone (65) 6229 8088.*