

# HALCYON AGRI CORPORATION LIMITED

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

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## ISSUANCE OF SHARES BY SUBSIDIARY

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The Board of Directors (the “**Board**”) of Halcyon Agri Corporation Limited (the “**Company**”) refers to the Company’s announcement dated 22 February 2019 and is pleased to inform the shareholders that:

1. A share subscription agreement in relation to the placement of new ordinary shares in HeveaConnect Pte. Ltd. (“**HeveaConnect**”) (the “**HC Shares**”) to ITOCHU Corporation (“**ITOCHU**”) has been entered into between HeveaConnect and ITOCHU on 26 February 2019 (the “**ITOCHU SSA**”).
2. Pursuant to the ITOCHU SSA, ITOCHU shall (i) subscribe for 66,807 HC Shares representing 19% of the issued and paid-up ordinary shares of HeveaConnect for US\$2,200,000 and (ii) have an option (but not an obligation) to subscribe for additional HC Shares as adjusted according to the terms under the ITOCHU SSA (the “**ITOCHU Option Shares**”) for US\$800,000 (the “**ITOCHU Round 2 Option**”). In the event that the ITOCHU Round 2 Option is exercised, such ITOCHU Option Shares shall represent 7% of the issued and paid-up ordinary shares of HeveaConnect which is calculated on the basis that no HC Shares have been issued to a party other the Company and DBS Bank Ltd. (“**DBS**”). Subject to certain conditions, the ITOCHU Round 2 Option can be exercised and completed by ITOCHU no later than 31 December 2020.
3. The aggregate share subscription price of US\$3,000,000 was arrived at on a willing-buyer willing-seller basis, taking into account ITOCHU’s commitment to promote HeveaConnect’s digital trading platform and to trade its Indonesian-based natural rubber production on the said platform.
4. In accordance with the terms under the ITOCHU SSA, as well as the share subscription agreement entered into between the Company and DBS on 14 December 2018<sup>1</sup> which contains an anti-dilution provision, HeveaConnect has issued and allotted (i) 66,870 new shares to ITOCHU for US\$2,200,000 and (ii) 7,340 new shares to DBS for a nominal value of US\$1 on 7 March 2019. Following which, the Company’s total equity interest in HeveaConnect has changed from 90.1% to 71.1%, with the balance equity interests of 28.9% being held by ITOCHU (19.0%) and DBS (9.9%).
5. 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 foregoing transaction, other than that arising from their respective shareholdings and/or directorships, as the case may be, in the Company.
6. Shareholders of the Company 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  
7 March 2019

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<sup>1</sup> Please refer to the Company’s announcement dated 14 December 2018 for further details.