

HALCYON AGRI CORPORATION LIMITED

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

PROPOSED TRANSACTIONS IN HEVEACONNECT PTE. LTD.

1. Introduction

The Board of Directors (the “**Board**”) of Halcyon Agri Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to inform shareholders that the Company had completed the disposal of 32,218 ordinary shares in HeveaConnect Pte. Ltd. (“**HeveaConnect**”) to Precise Goal Group Limited (the “**Purchaser**”), for a cash consideration of US\$1,615,088.34 (“**Proposed Disposal**”).

Concurrent with the Proposed Disposal, HeveaConnect has also issued 107,248 new shares to the Purchaser, DeClout Ventures Pte. Ltd. (“**DeClout Ventures**”) and several of its key employees for a total consideration of US\$5,385,365.64. (“**New Investment**”)

Proposed Disposal and New Investment are collectively referred herein as “**Proposed Transactions**”.

Upon completion of the Proposed Transactions, the Company’s total equity interest in HeveaConnect has been changed from 49.91% to 32.54%.

2. Information of HeveaConnect

HeveaConnect was incorporated in August 2018 and started off as a wholly owned subsidiary of Group, with its intended objective to operate a bilateral trading platform. The platform only provides access for sustainably sourced and produced natural rubber.

3. Information of the Purchaser

The Purchaser is a wholly-owned subsidiary of Procap Sustainables Ltd, an affiliate of Provident Capital Partners Pte. Ltd., (“**Provident**”) a private equity firm with investments across various industries, including telecommunications infrastructure, mining, real estate and biofuels. It has decades of experience and a strong reputation for building value, attracting blue-chip international institutional investors and high-quality banks. Provident’s investee companies have outstanding reputations with commitment to high quality management, corporate governance and high ESG standards.

4. Information of DeClout Ventures

DeClout Ventures is the corporate venture arm of DeClout, a builder of next-generation ICT companies that invests in, incubates and scales companies to become global or regional market leaders. DeClout’s portfolio companies currently comprise of: GUUD – a fast-growing trade technology firm; Aeqon – an ICT solutions provider; ARCO and Procurri – both green technology service providers; dhost – a neutral hosting solutions provider; and Ascent Solutions – an Internet-of-Things solutions provider. DeClout is a subsidiary of Tokyo Stock Exchange-listed Exeo Group, Inc.

5. Sale Consideration

The sale consideration of US\$1,615,088.34 (the “**Sale Consideration**”) was arrived at after arm’s length negotiation between the Group and the Purchaser, based on willing-buyer willing-seller basis, taking into consideration, inter alia, potential contribution to the HeveaConnect platform.

6. Financial Effect of the Proposed Disposal

The Proposed Disposal is not expected to have any material effect on the net tangible assets per share and earnings per share of the Group for the financial year ending 31 December 2022.

7. Rationale for the Proposed Disposal

The Proposed Disposal is in line with the Company's commitment to reduce its stake in HeveaConnect, for HeveaConnect to demonstrate its independence from any of its shareholders, in their effort to accelerate industry-wide adoption of the HeveaConnect platform. Attracting the participation of more natural rubber producers and tyre makers is important in achieving critical mass to effect meaningful change in the natural rubber industry through digitalisation.

8. Interest of Directors and Controlling Shareholder

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 interest, direct or indirect, in the foregoing transaction, other than that arising from their respective shareholding and/or directorships, as the case may be, in the Company.

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

Wong Teck Kow
Company Secretary
25 July 2022