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Change in Capital :: Convertible Securities :: Proposed Issue of US\$400,000,000 2.50 Per Cent. Convertible Bonds Due 2017

* Asterisks denote mandatory information

Name of Announcer *	GOLDEN AGRI-RESOURCES LTD
Company Registration No.	UF 24045G
Announcement submitted on behalf of	GOLDEN AGRI-RESOURCES LTD
Announcement is submitted with respect to *	GOLDEN AGRI-RESOURCES LTD
Announcement is submitted by *	Kimberley Lye Chor Mei
Designation *	Director, Corporate Secretarial
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>> Announcement Details

The details of the announcement start here ...

Announcement Title *	Proposed Issue of US\$400,000,000 2.50 Per Cent. Convertible Bonds Due 2017
Specific shareholder's approval Required? *	No
Description	Please see attached.

Attachments

 GAR49-07-09-2012-ProposedIssueofConvertibleBondsDue2017.pdf
 Total size = **52K**
 (2048K size limit recommended)

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This document is not an offer of securities for sale in the United States or elsewhere. The Convertible Bonds (as defined below) have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States. The Convertible Bonds may not be offered, sold or delivered within the United States or to, or for the benefit of, U.S. persons (as such term is defined in Regulation S of the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Convertible Bonds are being offered and sold only in offshore transactions as defined in and in reliance on Regulation S under the Securities Act.



GOLDEN AGRI-RESOURCES LTD

(Incorporated in the Republic of Mauritius)

**PROPOSED ISSUE OF
US\$400,000,000 2.50 PER CENT. CONVERTIBLE BONDS DUE 2017**

1. INTRODUCTION

The Directors of Golden Agri-Resources Ltd (the "**Company**" or the "**Issuer**") wish to announce that the Company has, on 6 September 2012, entered into a subscription agreement (the "**Subscription Agreement**") with BNP Paribas Capital (Asia Pacific) Limited ("**BNP Paribas**"), Citigroup Global Markets Limited ("**Citigroup**"), CIMB Bank (L) Limited ("**CIMB**") and Credit Suisse (Singapore) Limited ("**Credit Suisse**") in relation to the proposed issue by the Company of US\$400 million 2.50 per cent. convertible bonds due 2017 (the "**Convertible Bonds**"), which are convertible into new ordinary shares of par value US\$0.025 each ("**Shares**") in the capital of the Company.

The Company has appointed Citigroup to act as global coordinator, and Citigroup, BNP Paribas, CIMB and Credit Suisse to act as joint lead managers (the "**Joint Lead Managers**") and joint bookrunners for the issue of the Convertible Bonds. The Convertible Bonds will be placed to institutional investors and/or accredited investors.

Unless otherwise defined herein, capitalised terms used in this announcement shall have the meanings ascribed to them in the terms and conditions of the Convertible Bonds (the "**Terms and Conditions**").

2. PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

The principal terms and conditions of the Convertible Bonds are summarised below. For more information, please refer to the offering circular to be issued by the Company in due course, which shall contain information on, *inter alia*, the offer and issue of the Convertible Bonds (the “**Offering Circular**”).

Issue Size	:	US\$400,000,000 in aggregate principal amount of Convertible Bonds.
Issue Price	:	100 per cent. of the principal amount of the Convertible Bonds.
Form and Denomination	:	The Convertible Bonds will be issued in registered form in the denomination of US\$200,000 each.
Settlement and Payment	:	Subject to fulfilment of the conditions set out in the Subscription Agreement, settlement and payment for the Convertible Bonds is expected to take place on or about 4 October 2012 (the “ Closing Date ”) or such other date as the Company and the Joint Lead Managers shall agree.
Interest	:	The Convertible Bonds will bear interest at the rate of 2.50 per cent. per annum, payable semi-annually in arrears.
Maturity Date	:	4 October 2017 (the “ Maturity Date ”).
Yield to Maturity	:	2.50 per cent. per annum, calculated on a semi-annual basis.
Initial Conversion Price	:	S\$0.8896 for each new Share (using a fixed exchange rate of S\$1.2479 : US\$1.00) (the “ Initial Conversion Price ”).
Conversion Premium	:	28 per cent. over the closing price of the Shares quoted on the Singapore Exchange Securities Trading Limited (the “ SGX-ST ”) on 5 September 2012, which was S\$0.695.
Conversion Period	:	Convertible at the option of the holder of each Convertible Bond (the “ Bondholder ”), at any time on and after 14 November 2012 up to the close of business (at the place where the bond certificate evidencing such Convertible Bond is deposited for conversion) on 27 September 2017 (but, except as provided in the Terms and Conditions, in no event

thereafter), or if such Convertible Bond shall have been called for redemption before 27 September 2017, then up to the close of business (at the place aforesaid) on a date no later than seven business days (at the place aforesaid) prior to the date fixed for redemption thereof.

If the conversion date in respect of a Convertible Bond would otherwise fall during a Book Closure Period, such conversion date shall be postponed to the first Stock Exchange Business Day after the expiry of such Book Closure Period.

Conversion Ratio : 280,553.0576 Shares per Convertible Bond (at the Initial Conversion Price).

Adjustments to Conversion Price : The Conversion Price will be subject to adjustment in certain events, including consolidation, subdivision or reclassification of the Shares, capitalisation of profits or reserves, capital distributions, change of control and certain other dilutive events as more fully described in the Terms and Conditions.

Status of the Convertible Bonds : The Convertible Bonds constitute direct, senior, unsubordinated, unconditional and, subject to the Terms and Conditions, unsecured obligations of the Company and shall at all times rank *pari passu* and without preference or priority among themselves. The payment obligations of the Issuer under the Convertible Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to the Terms and Conditions, at all times rank at least equally with all of its other present and future direct, senior, unsubordinated, unconditional and unsecured obligations.

Final Redemption : Unless previously redeemed, converted or purchased and cancelled, the Issuer will redeem each Convertible Bond at its principal amount, plus accrued and unpaid interest, if any, on the Maturity Date. The Issuer may not redeem the Bonds at its option prior to that date except as provided in the Terms and Conditions.

Delisting Put Right : In the event the Shares cease to be listed or admitted to trading or the trading of the Shares is suspended for a period of more than 45 consecutive Trading Days on

the SGX-ST or, if applicable, the Alternative Stock Exchange (a “**Delisting**”) each Bondholder shall have the right, at such Bondholder’s option, to require the Issuer to redeem all (but not less than all) of such Bondholder’s Convertible Bonds on the twentieth business day after notice has been given to Bondholders regarding the Delisting or, if such notice is not given, the twentieth business day after the Delisting at their principal amount, plus interest accrued up to the date of redemption.

Redemption at the Option of the Bondholder : The Issuer will, at the option of the Bondholder, redeem all or some of that Bondholder’s Convertible Bonds on 4 October 2015 at their principal amount, plus interest accrued up to the date of redemption.

Redemption at the Option of the Company : On or at any time after 4 October 2015 but not less than seven business days prior to the Maturity Date, the Issuer may, having given not less than 30 nor more than 60 days’ notice to the Bondholders, the Trustee and the Principal Agent (which notice will be irrevocable), redeem the Convertible Bonds in whole and not in part at their principal amount, plus interest accrued up to the date of redemption, provided that no such redemption may be made unless the closing price of the Shares (translated into US dollars at the Prevailing Exchange Rate for any 20 Trading Days out of the 30 consecutive Trading Days, ending not earlier than five days prior to the date upon which notice of such redemption is given) was at least 130 per cent. of the Conversion Price (translated into US dollars at the Fixed Exchange Rate in effect on such Trading Day).

If at any time the aggregate principal amount of the Convertible Bonds outstanding is less than 10 per cent. of the aggregate principal amount originally issued (including any Convertible Bonds issued pursuant to the Terms and Conditions), the Issuer shall have the option to redeem such outstanding Convertible Bonds in whole but not in part at their principal amount, plus interest accrued up to the date of redemption. The Issuer will give at least 30 days’ but not more than 60 days’ prior notice to the Bondholders, the Trustee and the Agents for such

redemption.

Upon the expiry of any such notice, the Issuer will be bound to redeem the Convertible Bonds at their principal amount, plus interest accrued up to the date of redemption, on the date fixed for such redemption.

Redemption for Taxation : At any time the Issuer may, having given not less than
Reasons 30 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Trustee, the Agents and the Bondholders (which notice shall be irrevocable) redeem all, and not some only, of the Convertible Bonds at their principal amount plus interest accrued up to the date of redemption, if the Issuer satisfies the Trustee immediately prior to the giving of such notice that the Issuer has or will become obliged to pay Additional Amounts as referred to in the Terms and Conditions as a result of any change in, or amendment to, the laws or regulations of Mauritius or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 6 September 2012, and such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Convertible Bonds then due.

Upon the expiry of any such notice, the Issuer will be bound to redeem the Convertible Bonds at their principal amount, plus interest accrued up to the date of redemption.

If the Issuer gives a Tax Redemption Notice, each Bondholder will have the right to elect that his Convertible Bond(s) shall not be redeemed and that the provisions in the Terms and Conditions relating to taxation of the Convertible Bonds shall not apply in respect of any payment of principal or interest to be made in respect of such Convertible Bond(s) which falls due after the relevant Tax Redemption Date, whereupon no Additional Amounts shall be payable in respect thereof and payment of all amounts shall be

made subject to the deduction of withholding of the taxation required to be withheld or deducted on behalf of the government of Mauritius or any political subdivision or authority thereof having power to tax.

Governing Law : English law.

3. NEW SHARES

Based on the Initial Conversion Price of S\$0.8896, the maximum number of new Shares to be allotted and issued by the Company pursuant to the full conversion of the Convertible Bonds is 561,106,115 new Shares. The 561,106,115 new Shares represent approximately 4.37 per cent. of the existing 12,837,548,556 Shares in issue.

The proposed issue of the Convertible Bonds and new Shares is made pursuant to the general mandate for issue of convertible securities and shares given by the shareholders to the Directors of the Company at the annual meeting of the Company held on 26 April 2012.

The new Shares issued upon conversion of the Convertible Bonds will be credited as fully paid and will in all respects rank *pari passu* with the Shares in issue on the relevant Registration Date. Save as set out in the Terms and Conditions, a holder of Shares issued on conversion of Convertible Bonds shall not be entitled to any rights the record date for which precedes the relevant Registration Date.

4. USE OF PROCEEDS

The estimated net proceeds from the issue of the Convertible Bonds, after deducting all costs and expenses relating to the issue of the Convertible Bonds are approximately US\$394.45 million.

The Company intends to apply the net proceeds from the issue of the Convertible Bonds for general corporate purposes.

5. CONDITIONS

The proposed issue of the Convertible Bonds is conditional upon, *inter alia*, the receipt by the Company of the approval in-principle of the SGX-ST for the listing and quotation of the Convertible Bonds and the new Shares arising from the conversion of the Convertible Bonds on the Official List of the SGX-ST.

The Company will make an application to the SGX-ST for the listing and quotation of the Convertible Bonds and the new Shares arising from the conversion of the Convertible Bonds on the Official List of the SGX-ST. Appropriate announcements on the outcome of the application will be made, and an Offering Circular will be issued by the Company, in due course.

6. FINANCIAL EFFECTS

For illustration purposes, based on the unaudited consolidated financial statements of the Company and its subsidiaries (the "Group") as at 30 June 2012 and taking into account the following events and assumptions:

- (i) the issuance of 698,871,614 Shares pursuant to the exercise of warrants was completed on 30 June 2012; and
- (ii) the interest expense in respect of the Convertible Bonds prior to any conversion will be at the aggregate of 2.50 per cent. interest payable each year and the amortisation of the fair value of the conversion rights recorded on the date of issue. However, it is not possible to quantify the effects of the issue of the Convertible Bonds on the earnings on the Group until the proceeds from the issue of the Convertible Bonds have been deployed,

the financial effects of the issue and conversion of the Convertible Bonds on the Share capital, net asset value ("NAV"), earnings per share ("EPS") and gearing are as follows:

Share Capital

	Before the issue of the Convertible Bonds	After the issue of the Convertible Bonds but before any conversion of the Convertible Bonds	After the issue and conversion of the Convertible Bonds
Issued and fully paid-up share capital (US\$'000)	320,939	320,939	334,966
Number of Shares	12,837,548,556	12,837,548,556	13,398,654,671

NAV

	Before the issue of the Convertible Bonds	After the issue of the Convertible Bonds but before any conversion of the Convertible Bonds	After the issue and conversion of the Convertible Bonds
NAV attributable to the owners of the Company (US\$'000)	8,414,068	8,445,537	8,808,518
NAV per Share (US\$)	0.66	0.66	0.66

EPS

	Before the issue of the Convertible Bonds	After the issue of the Convertible Bonds but before any conversion of the Convertible Bonds	After the issue and conversion of the Convertible Bonds
Net profits (US\$'000)	270,070	270,070	270,070
EPS (US\$)	0.02	0.02	0.02

Gearing

	Before the issue of the Convertible Bonds	After the issue of the Convertible Bonds but before any conversion of the Convertible Bonds	After the issue and conversion of the Convertible Bonds
Total borrowings (US\$'000)	1,405,882	1,767,890	1,367,890
Shareholders' funds (US\$'000)	8,414,068	8,445,537	8,808,518
Gearing (time)	0.17	0.21	0.16

Note: For the purposes of the above, the expression "gearing" means the ratio of total borrowings to shareholders' funds. The expression "total borrowings" means the aggregate amount of interest bearing debt (including finance lease creditors). The expression "shareholders' funds" means the aggregate of the issued and paid-up share capital, share premium, other paid-in capital and other reserves.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the issue of the Convertible Bonds.

By Order of the Board
GOLDEN AGRI-RESOURCES LTD

Simon Lim
Director
7 September 2012

Important Notice

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for or a sale of Convertible Bonds in the United States or any other jurisdiction.

The Convertible Bonds to be issued have not been, and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Neither this notice nor any portion hereof may be sent or transmitted into the United States or any jurisdiction where to do so is unlawful. Any failure to comply with these restrictions may constitute a violation of the United States securities law or the securities laws of any such other jurisdiction.