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Change in Capital :: Convertible Securities :: 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 *	ISSUE OF US\$400,000,000 2.50 PER CENT. CONVERTIBLE BONDS DUE 2017
Specific shareholder's approval Required? *	No
Description	Please refer to attached.

Attachments

 GAR53-04-10-2012-IssueOfUSD400mil2.50PerCent.ConvertibleBondsDue2017.pdf
 Total size = **43K**
 (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 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)

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

1. Issue of the Convertible Bonds

The Directors of Golden Agri-Resources Ltd (the "**Company**") refer to the Company's announcement dated 1 October 2012 in relation to the receipt of approval in-principle from Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of US\$400,000,000 2.5 per cent. convertible bonds due 2017 (the "**Convertible Bonds**") and 561,106,115 new ordinary shares of par value US\$0.025 each in the capital of the Company to be issued on conversion of the Convertible Bonds (the "**New Shares**") on the SGX-ST. The Directors are pleased to announce that the Company has today issued the Convertible Bonds. The Convertible Bonds are expected to be admitted to the Official List of the SGX-ST with effect from 9.00 a.m. on 5 October 2012.

The SGX-ST's approval in-principle for the listing and quotation of the Convertible Bonds and the New Shares is not to be taken as an indication of the merits of the Convertible Bonds, the New Shares, the Company and/or its subsidiaries.

The net proceeds from the issue of the Convertible Bonds, after deducting the costs and expenses relating to the issue of the Convertible Bonds, are approximately US\$394.45 million. The Company intends to allocate approximately 80% of the net proceeds for capital expenditure to support the Company and its subsidiaries' ongoing expansion program, including but not limited to the acquisition of land, planting of oil palm trees, construction of mills and refineries, and improving logistics capabilities to capture additional contributions from the palm oil value chain. The Company intends to allocate the remainder of the net proceeds (being approximately 20%) for other

general corporate purposes and working capital needs, including but not limited to the repayment of outstanding borrowings.

Pending the deployment of the net proceeds from the issue of the Convertible Bonds, such proceeds may be placed as deposits with financial institutions or invested in short-term money markets or marketable securities or used for any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem appropriate in the interests of the Company.

The Company will make periodic announcements on the utilisation of such proceeds, as the funds are materially disbursed and provide a status report on the use of such proceeds in the Company's annual report.

2. Adjustment of the Conversion Price

The conversion price of the Convertible Bonds will be subject to adjustment in the following events:

- (i) an alteration to the nominal value of the shares of par value US\$0.025 each in the Company ("**Shares**") as a result of consolidation, subdivision or reclassification;
- (ii) subject to certain exceptions, an issue of Shares by way of capitalisation of profits or reserves, save where Shares are issued in lieu of the whole or any part of a specifically declared cash dividend (the "**Relevant Cash Dividend**"), being a dividend which the shareholders concerned would have received (a "**Scrip Dividend**") and which would not have constituted a Capital Distribution (as defined below);
- (iii) an issue of Shares by way of a Scrip Dividend where the current market price of the Shares exceeds 105 per cent. of the amount of the Relevant Cash Dividend and which would not have constituted a Capital Distribution;
- (iv) subject to certain exceptions, where the Company makes (a) any distribution of assets in specie by way of capitalisation of reserves and (b) any cash dividend or distribution of any kind ("**Capital Distribution**");
- (v) an issue of Shares under a rights issue or issue of options over Shares, in each case at less than 95 per cent. of the current market price of the Shares;
- (vi) a rights issue of other securities;
- (vii) an issue of any Shares or options, warrants or other rights to subscribe or purchase Shares in each case at a price per Share which is less than 95 per cent. of the current market price of the Shares;
- (viii) subject to certain exceptions, an issue of any securities which carry rights of conversion, exchange or subscription for Shares at a consideration per Share which is less than 95 per cent. of the current market price of the Shares;

- (ix) any modification of the rights of conversion, exchange or subscription attaching to the securities mentioned in paragraph (viii) above so that the consideration per Share is less than 95 per cent. of the current market price of the Shares;
- (x) subject to certain exceptions, an issue of any securities in connection with an offer pursuant to which holders of at least 60 per cent. of the Shares then outstanding are entitled to acquire such securities;
- (xi) in the event any of the following change of control events ("**Change of Control**") occur:
 - (i) any Person¹ individually or Persons acting together (except certain members of the Widjaja family or any of their affiliates, executors, administrators or successors (the "**Widjaja Family**")) directly or indirectly acquires control² of the Company; or
 - (ii) the Company consolidates with or merges into or sells or transfers all or substantially all of the Company's assets to any other person, unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring control over the Company or the successor entity; or
 - (iii) the Widjaja Family acquires 90 per cent. of the voting rights of the issued share capital of the Company, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise; and
- (xii) where the Company determines that an adjustment should be made to the conversion price of the Convertible Bonds.

3. **Redemption of the Convertible Bonds**

The Convertible Bonds may be redeemed in the following circumstances:

- (i) **Maturity**

The Company will redeem each Convertible Bond at its principal amount plus accrued and unpaid interest, if any, on 4 October 2017 (the "**Maturity Date**");

1 "**Person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the Company's Board of Directors or any other governing board and does not include the Company's wholly-owned direct or indirect subsidiaries.

2 "**control**" means the acquisition or control of more than 50 per cent. of the voting rights of the issued share capital of the Company or the right to appoint and/or remove all or the majority of the members of the Company's Board of Directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise.

(ii) Redemption at the Option of the Company

- (a) subject to certain exceptions, the Company may give relevant notice to redeem the Convertible Bonds in whole at their principal amount, plus interest accrued up to the date of redemption, on or after 4 October 2015 but not less than seven business days prior to the Maturity Date. Such redemption may not be made unless the closing price of the Shares for any 20 Trading Days out of 30 consecutive Trading Days is at least 130 per cent. of the conversion price in effect on such Trading Day;
- (b) if the aggregate principal amount of the Convertible Bonds outstanding is less than 10 per cent. of the aggregate principal amount originally issued, the Company has 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;

(iii) Redemption for Taxation Reasons

Subject to certain exceptions, the Company may, having given the relevant notice redeem all and not some only, the Convertible Bonds at their principal amount plus interest accrued up to the date of redemption if the Company satisfies that it has or will become obliged to pay any additional amounts as a result of any change in 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 Company taking reasonable measures available to it.

(iv) Redemption at the Option of Bondholders

The Company will, at the option of the holder of any Convertible Bond, redeem all or some of that holder's Convertible Bonds on 4 October 2015 at their principal amount, plus interest accrued up to the date of redemption.

(v) Redemption for Change of Control

In the event of a Change in Control, the holder of each Convertible Bond has the right to require the Company to redeem in whole but not in part such holder's Convertible Bonds at their principal amount, plus interest accrued up to the date of redemption.

(vi) Delisting Put Right

In the event that the Shares cease to be listed or admitted to trading or trading of the Shares is suspended for more than 45 Trading Days³, each holder of

³ "Trading Day" means a day when the SGX-ST or such other principal stock exchange the Shares are then listed or quoted in is open for dealing business.

Convertible Bonds has the right to require the Company to redeem all (but not less than all) of such holder's Convertible Bonds.

By Order of the Board
GOLDEN AGRI-RESOURCES LTD

Rafael Buhay Concepcion, Jr.
Director
4 October 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.