HALCYON AGRI CORPORATION LIMITED
(Company Registration No.: 200504595D)

Unaudited Financial Statement for the Second Quarter Ended 30 June 2015

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An Income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Profit and Loss Accounts- Second Quarter 2015 ("Q2 2015") and First Half 2015 ("H1 2015")

	Group			Group		
	Q2 2015 (Unaudited)	Q2 2014 (Unaudited)	Change	H1 2015 (Unaudited)	H1 2014 (Unaudited)	Change
	US$'000	US$'000	%	US$'000	US$'000	%
Revenue	298,320	37,202	701.9	506,684	77,967	549.9
Cost of sales	(277,567)	(33,791)	721.4	(471,784)	(71,696)	558.0
Gross profit	20,753	3,411	508.4	34,900	6,271	456.5
Other income	130	5	2,500.0	396	40	890.0
Selling expenses	(3,974)	(492)	707.7	(6,672)	(832)	701.9
Administrative expenses	(4,652)	(1,817)	156.0	(6,986)	(3,653)	91.2
Administrative expenses - non-recurring	(944)	(32)	2,850.0	(1,547)	(138)	1,021.0
Operating profit	11,313	1,075	952.4	20,091	1,688	1,090.2
Finance income	241	6	3,916.7	426	34	1,152.9
Finance costs	(6,531)	(435)	1,401.4	(12,351)	(725)	1,603.6
Profit before taxation	5,023	646	677.6	8,166	997	719.1
Income tax expense	(1,420)	(42)	3,281.0	(2,376)	(59)	3,927.1
Profit for the financial period	3,603	604	496.5	5,790	938	517.3
Profit attributable to:						
Owners of the Company	3,237	622	420.4	4,468	974	358.7
Non-controlling interest	366	(18)	n/m	1,322	(36)	n/m
	3,603	604	496.5	5,790	938	517.3
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	13,640	1,482	820.4	24,739	2,649	833.9
Adjusted EBITDA (1)	14,584	1,514	863.2	26,286	2,787	843.3
Earnings per share("EPS") (refer item 6):						
Basic and diluted EPS in US cents	0.77	0.16	384.2	1.06	0.25	326.8
Adjusted EPS in US cents	0.77	0.15	420.4	1.06	0.23	358.7

n/m - not meaningful
(1) Adjusted for non-recurring administrative expenses .

1(a)(i) An Income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

Consolidated Statement of Comprehensive Income - Second Quarter 2015 ("Q2 2015") and First Half 2015 ("H1 2015")

	Group			Group		
	Q2 2015 (Unaudited)	Q2 2014 (Unaudited)	Change	H1 2015 (Unaudited)	H1 2014 (Unaudited)	Change
	US$'000	US$'000	%	US$'000	US$'000	%
Profit for the financial period	3,603	604	496.5	5,790	938	517.3
Other comprehensive (loss)/ income						
Items that may be reclassified subsequently to profit and loss						
Exchange differences on translation of foreign operations	(6,424)	(540)	1,089.6	(20,978)	1,362	n/m
Cash flow hedge -losses arising during the period	(70)	-	n/m	(332)	-	n/m
Recognised in the profit and loss accounts on occurrence of hedged transactions	342	-	n/m	641	-	n/m
Other comprehensive (loss)/ income for the financial period	(6,152)	(540)	1,039.3	(20,669)	1,362	n/m
Total comprehensive (loss) /income for the financial period	(2,549)	64		(14,879)	2,300	
Total comprehensive (loss) /income attributable to:						
Owners of the Company	(1,266)	82	n/m	(9,778)	2,336	n/m
Non-controlling interests	(1,283)	(18)	7,027.8	(5,101)	(36)	14,069.4
	(2,549)	64	n/m	(14,879)	2,300	n/m

n/m - not meaningful

1(a)(ii) Notes to Consolidated Profit and Loss Accounts

Profit for the financial period has been arrived at after crediting/(charging) the following:						
	Group			Group		
	Q2 2015 (Unaudited)	Q2 2014 (Unaudited)	Change	H1 2015 (Unaudited)	H1 2014 (Unaudited)	Change
	US$'000	US$'000	%	US$'000	US$'000	%
Cost of inventories recognised as an expense	(277,567)	(33,791)	721.4	(471,784)	(71,696)	558.0
Employee benefits expenses:						
-Cost of sales	(4,401)	(1,092)	303.0	(8,051)	(1,946)	313.7
-Selling expenses	(987)	(232)	325.6	(1,582)	(458)	245.7
-Administrative expenses	(3,501)	(1,041)	236.4	(6,106)	(1,924)	217.3
	(8,889)	(2,365)	275.9	(15,739)	(4,328)	263.6
Depreciation:						
-Cost of sales	(1,795)	(383)	368.5	(3,783)	(636)	494.8
-Selling expenses	(18)	(17)	4.1	(36)	(34)	5.1
-Administrative expenses	(514)	(7)	7,575.1	(829)	(290)	185.4
	(2,327)	(407)	471.6	(4,648)	(961)	383.8
Non-recurring expenses:						
-Acquisitions-related expenses	(35)	(32)	9.3	(143)	(138)	3.6
-Fee incurred for syndicated bridge facility	(909)	-	n/m	(1,404)	-	n/m
	(944)	(32)	2,850.0	(1,547)	(138)	1,021.0
Professional fees	(432)	(153)	182.4	(739)	(305)	142.3
Foreign exchange gain/(loss):						
-Cost of sales	816	-	n/m	4,265	-	n/m
-Administrative expenses	1,227	(56)	n/m	3,592	(150)	n/m
	2,043	(56)	n/m	7,857	(150)	n/m
Finance cost:						
-Working capital loans	(1,666)	(246)	576.7	(2,841)	(434)	555.2
-Term loans	(3,325)	-	n/m	(6,274)	-	n/m
-Medium Term Notes ("MTN")	(1,511)	(188)	702.0	(3,176)	(291)	991.8
-Finance lease	(29)	-	n/m	(60)	-	n/m
	(6,531)	(435)	1,402.8	(12,351)	(725)	1,604.7

n/m - not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of immediately preceding financial year

Consolidated Statements of Financial Position as at 30 June 2015 and 31 December 2014.

	Group		Company	
	30 Jun 15	31 Dec 14	30 Jun 15	31 Dec 14
ASSETS	Unaudited US$'000	Audited US$'000	Unaudited US$'000	Audited US$'000
Non-current assets				
Intangible assets	200,311	197,773	-	-
Property, plant and equipment	145,201	155,423	156	147
Investment properties	19,176	20,551	-	-
Investment in subsidiaries	-	-	104,297	104,297
Deferred charges	157	175	-	-
Deferred tax assets	3,367	2,673	-	-
Other assets	49	49	-	-
Biological assets	1,407	716	-	-
Total non-current assets	369,668	377,360	104,453	104,444
Current assets				
Cash and bank balances	56,087	77,456	3,421	1,186
Trade receivables	76,266	64,964		-
Other receivables	33,240	25,579	95,317	107,484
Tax receivables	5,010	2,436	-	-
Derivative financial instruments	7,677	5,117	-	-
Inventories	135,593	88,075	-	-
Total current assets	313,873	263,627	98,738	108,670
Total assets	683,541	640,987	203,191	213,114
LIABILITIES AND EQUITY				
Current liabilities				
Derivative financial instruments	1,757	821	-	-
Trade payables	11,681	26,990	-	-
Other payables	14,518	23,899	2,884	3,836
Loan payables	188,571	58,538	2,750	5,936
Provision for taxation	1,729	294	56	47
Finance lease	420	405	420	405
Total current liabilities	218,676	110,947	6,110	10,224
Net current assets	95,197	152,680	92,628	98,446
Non current liabilities				
Loan payables	287,074	338,215	99,347	104,215
Retirement benefit obligations	10,881	11,033	-	-
Deferred tax liabilities	19,990	18,780	25	25
Finance lease	1,268	1,481	1,268	1,481
Total non current liabilities	319,213	369,509	100,640	105,721
Net assets	145,652	160,531	96,441	97,169
Capital and reserves				
Share capital	92,993	92,993	92,993	92,993
Capital reserves	143	143	-	-
Accumulated profits	12,758	8,290	3,448	4,176
Hedging reserve	(202)	(511)	-	-
Foreign currency translation reserves	(31,385)	(16,830)	-	-
Equity attributable to owners of the Company	74,307	84,085	96,441	97,169
Non-controlling interests	71,345	76,446	-	-
Total equity	145,652	160,531	96,441	97,169
Total liabilities and equity	683,541	640,987	203,191	213,114

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

	As at 30 June 2015 (Unaudited)		As at 31 December 2014 (Audited)	
	Secured US$'000	Unsecured US$'000	Secured US$'000	Unsecured US$'000
Loan payables	188,571	-	58,538	-
Finance lease	420	-	405	-

Amount repayable after one year

	As at 30 June 2015 (Unaudited)		As at 31 December 2014 (Audited)	
	Secured US$'000	Unsecured US$'000	Secured US$'000	Unsecured US$'000
Loan payables	198,727	88,347	246,375	91,840
Finance lease	1,268	-	1,481	-

Details of any collateral

Working capital loans are secured by corporate guarantees from the Company and by a charge over some of the Group's inventories, trade receivables and certain cash and bank balances.

Term loans are secured by corporate guarantees from the Company and by a charge over certain of the Group's property, plant and equipment, other receivables and pledges over ordinary shares held by the Group in certain subsidiaries.

Finance leases are secured by the lessor's title to the leased assets.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Cash Flows- Second Quarter 2015 (”Q2 2015”) and First Half 2015 (“H1 2015”)

	Group		Group	
	Q2 2015 (Unaudited)	**Q2 2014 (Unaudited)**	**H1 2015 (Unaudited)**	**H1 2014 (Unaudited)**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Operating activities:				
Profit before taxation	5,023	646	8,166	997
Adjustments for:				
Depreciation expense	2,327	407	4,648	961
Retirement benefit expense	491	65	859	142
Interest income	(241)	(6)	(426)	(34)
Interest expense	6,531	435	12,351	725
Fair value gain on open forward commodities contracts and inventories, unrealised	(8,398)	(1,511)	(11,839)	(100)
Unrealised foreign exchange gain	-	-	(3,794)	-
Operating profit before working capital changes	5,733	36	9,966	2,691
Trade receivables	(5,878)	926	10,987	2,331
Other receivables and deferred charges	6,295	(295)	439	(2,024)
Inventories	2,964	(7,013)	(18,463)	(12,438)
Trade payables	(6,802)	1,743	(24,633)	2,399
Other payables	955	449	1,257	(678)
Cash generated from/(used in) operations	3,268	(4,154)	(20,448)	(7,719)
Interest received	241	6	426	34
Interest paid	(1,577)	(290)	(2,414)	(434)
Tax refund/(paid)	525	(675)	(963)	(697)
Net cash generated from/(used in) operating activities	2,458	(5,113)	(23,398)	(8,816)
Investing activities				
Acquisition of subsidiaries (net of cash acquired)	(8,984)	(153)	(16,481)	(28,244)
Purchase of property, plant and equipment	(1,601)	(1,804)	(4,279)	(5,284)
Capital expenditure in relation to plantation	(1,312)	(805)	(1,629)	(1,008)
Net cash used in investing activities	(11,897)	(2,762)	(22,389)	(34,536)
Financing activities				
Proceeds from drawdown of syndicated loan facility - term loan	176,855	-	176,855	-
Proceeds from drawdown of syndicated loan facility - working capital loan	183,580	-	183,580	-
Repayment of syndicated bridge facility	(271,800)	-	(271,800)	-
Net (repayment)/proceed of other term loans	(4,016)	15,155	(4,561)	14,511
Net (repayment)/proceed of working capital loans	(67,890)	3,288	(46,212)	7,330
Interest paid on term loans and syndicated bridge facility	(4,963)	(212)	(7,192)	(291)
Interest paid on Medium Term Notes	-	-	(3,225)	-
Proceeds received under finance lease arrangement	-	-	-	2,251
Repayment of obligation under finance lease arrangement	(100)	(98)	(199)	(98)
Dividend paid	-	(3,152)	-	(3,152)
Decrease in pledged deposits	1,168	1,240	1,674	1,240
Net cash from financing activities	12,833	16,221	28,921	21,791
Net increase/(decrease) in cash and cash equivalents	3,394	8,346	(16,866)	(21,561)
Cash and cash equivalents at beginning of the period	53,459	19,849	75,782	49,677
Effects of exchange rate changes on the balance of cash held in foreign currencies	(765)	9	(2,829)	88
Cash and cash equivalents at end of the period	**56,087**	**28,204**	**56,087**	**28,204**
Cash and bank balances comprise the following:				
Cash and cash equivalents	56,087	28,204	56,087	28,204
Fixed deposits - pledged	-	1,772	-	1,772
	56,087	29,976	56,087	29,976

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statements of Changes in Equity as at 30 June 2015 and 30 June 2014

	Share capital US$ '000	Capital reserves US$ '000	Accumulated profits/ (losses) US$ '000	Foreign currency translation reserves US$ '000	Hedging reserve US$ '000	Non-controlling interests US$ '000	Total US$ '000
Group (Unaudited)							
Balance at 1 April 2015	92,993	143	9,521	(26,610)	(474)	72,628	148,201
Total comprehensive income/(loss) for the period							
Profit for the period	-	-	3,237	-	-	366	3,603
Other comprehensive (loss)/ income	-	-	-	(4,775)	272	(1,649)	(6,152)
Total	-	-	3,237	(4,775)	272	(1,283)	(2,549)
Balance at 30 June 2015	92,993	143	12,758	(31,385)	(202)	71,345	145,652
Group (Unaudited)							
Balance at 1 April 2014	78,508	143	21,547	(3,039)	-	320	97,479
Total comprehensive income/(loss) for the period							
Profit/(loss) for the period	-	-	622	-	-	(18)	604
Other comprehensive loss	-	-	-	(540)	-	-	(540)
	-	-	622	(540)	-	(18)	64
Total	-	-	622	-	-	(18)	604
Transactions with owners, recognised directly in							
Dividend paid	-	-	(3,152)	-	-	-	(3,152)
Total	-	-	(3,152)	-	-	-	(3,152)
Balance at 30 June 2014	78,508	143	19,017	(3,039)	-	302	94,931
Company (Unaudited)							
Balance at 1 April 2015	92,993	-	5,675	-	-	-	98,668
Total comprehensive income for the period							
Loss for the period	-	-	(2,227)	-	-	-	(2,227)
Total	-	-	(2,227)	-	-	-	(2,227)
Balance at 30 June 2015	92,993	-	3,448	-	-	-	96,441
Company (Unaudited)							
Balance at 1 April 2014	78,508	-	6,913	-	-	-	85,421
Total comprehensive loss for the period							
Loss for the period	-	-	(105)	-	-	-	(105)
Total	-	-	(105)	-	-	-	(105)
Transactions with owners, recognised directly in equity							
Dividend paid	-	-	(3,152)	-	-	-	(3,152)
Total	-	-	(3,152)	-	-	-	(3,152)
Balance at 30 June 2014	78,508	-	3,656	-	-	-	82,164

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of ordinary shares	US$'000
Issued and paid up		
At 31 March 2015 and 30 June 2015	421,000,000	92,993

Please refer to the preference shares issued by a subsidiary of the Company, Halcyon Rubber Company Pte. Ltd. ("HRC") to Angsana Capital Ltd. ("ACL") as detailed under paragraph 13 below.

Save as disclosed above, there were no other outstanding options, convertibles or treasury shares as at 30 June 2015. There were no outstanding options, convertibles or treasury shares as at 30 June 2014.

1(d)(iii) To show the number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

The Company did not hold any treasury shares as at 30 June 2015 and 31 December 2014. As such, the number of issued shares excluding treasury shares as at 30 June 2015 and 31 December 2014 were 421,000,000 shares.

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable. There were no treasury shares during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been reviewed or audited by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in paragraph 5, the financial statements have been prepared using the same accounting policies and methods of computation as presented in the audited financial statements for the financial year ended 31 December 2014.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted all applicable new and revised Financial Reporting Standards ("FRS") and Interpretations of Financial Reporting Standards ("INT FRS") which became effective for accounting periods beginning on or after 1 January 2015. The adoption of these new and revised FRS and INT FRS are assessed to have no material financial impact on the Group's financial statements for the current financial period reported on.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group		Group	
	Q2 2015 Unaudited	**Q2 2014 Unaudited**	**H1 2015 Unaudited**	**H1 2014 Unaudited**
Profit attributable to owners of the Company (US$'000)	3,237	622	4,468	974
Basic and diluted earnings per share ("EPS") in US cents [1]	0.77	0.16	1.06	0.25
Adjusted EPS in US cents [2]	0.77	0.15	1.06	0.23
Adjusted EPS in SGD cents [3]	1.03	0.19	1.43	0.29

Notes:

(1) The basic and diluted EPS for the periods under review have been computed based on the profit attributable to owners of the Company and the weighted average number of ordinary shares in issue for the respective periods.

(2) For comparative purposes, the adjusted EPS for the periods under review have been computed based on the profit attributable to owners of the Company and number of ordinary shares in issue as at 30 June 2015 of 421,000,000 ordinary shares.

(3) Translated at the average exchange rates for each respective period.

The basic and diluted EPS for Q2 2015 and Q2 2014 and H1 2015 and H1 2014 were the same as there were no potentially dilutive ordinary shares in issue as at 30 June 2015 and 30 June 2014.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year**

	Group		Company	
	30 June 2015 Unaudited	31 December 2014 Audited	30 June 2015 Unaudited	31 December 2014 Audited
Net asset value per ordinary share based on issued share capital (US cents)	34.60	38.13	22.91	23.08
Net asset value per ordinary share based on issued share capital (SGD cents) (1)	46.62	50.38	30.87	30.50
Number of ordinary shares outstanding	421,000,000	421,000,000	421,000,000	421,000,000

Note:

(1) Translated at the closing exchange rates for each respective period.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:**

(a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

REVIEW OF THE INCOME STATEMENT OF THE GROUP FOR Q2 2015 VS Q2 2014 AND H1 2015 VS H1 2014

Snapshot

Operating financial statistics

		Q2 2015	Q2 2014	Change	H1 2015	H1 2014	Change
Total sales volume	tonnes	192,813	19,336	897.2%	326,979	38,497	749.4%
Revenue	US$ million	298.3	37.2	701.9%	506.7	78.0	549.9%
Revenue per tonne	US$	1,547	1,924	-19.6%	1,550	2,025	-23.5%
Gross profit	US$ million	20.8	3.4	508.4%	34.9	6.3	456.5%
EBITDA - adjusted (1)	US$ million	14.6	1.5	863.2%	26.3	2.8	843.3%
Net profit - adjusted (1)	US$ million	4.5	0.6	614.9%	7.3	1.1	581.9%

Note:

(1) The results have been adjusted to exclude the non-recurring expenses of US$0.9 million in Q2 2015 (Q2 2014:US$0.1 million, H1 2015:US$1.5 million and H1 2014:US$0.1 million).

Revenue

Revenue breakdown, sales volume and revenue per tonne information are set below:

	Q2 2015		Q2 2014		H1 2015		H1 2014	
	US$ million	As a % of total revenue	US$ million	As a % of total revenue	US$ million	As a % of total revenue	US$ million	As a % of total revenue
Revenue:								
-own products	164.2	55%	37.2	100%	282.2	56%	78.0	100%
-others	134.1	45%	-	0%	224.5	44%	-	0%
	298.3	100%	37.2	100%	506.7	100%	78.0	100%

	Q2 2015	Q2 2014	H1 2015	H1 2014
Sales volume of our products (tonnes)	107,406	19,336	182,488	38,497
Sales volume of others (tonnes)	85,407	-	144,491	-
Total sales volume	192,813	19,336	326,979	38,497
Revenue per tonne (US$)	1,547	1,924	1,550	2,025

Q2 2015 vs Q2 2014

Revenue increased by US$261.1 million or 701.9%, from US$37.2 million in Q2 2014 to US$298.3 million in Q2 2015 mainly due to an increase in sales volume from 19,336 tonnes in Q2 2014 to 192,813 tonnes in Q2 2015. The additional sales volume in Q2 2015 was mainly contributed by Anson Company (Private) Limited ("Anson") (70,974 tonnes) and New Continent Enterprises (Private) Limited ("NCE") (51,398 tonnes) which were acquired by the Group in the second half of 2014, and the Centrotrade entities (34,010 tonnes) for which the results are first consolidated in Q2 2015. The increase was partially offset by a decrease in the revenue per tonne from US$1,924 in Q2 2014 to US$1,547 in Q2 2015 due to lower selling prices as a result of lower market price for natural rubber.

H1 2015 vs H1 2014

Revenue increased by US$428.7 million or 549.9%, from US$78.0 million in H1 2014 to US$506.7 million in H1 2015 mainly due to an increase in sales volume from 38,497 tonnes in H1 2014 to 326,979 tonnes in H1 2015. The additional sales volume in H1 2015 was mainly contributed by Anson (126,245 tonnes), NCE (110,482 tonnes) and the Centrotrade entities (34,010 tonnes). The increase was partially offset by a decrease in the revenue per tonne from US$2,025 in H1 2014 to US$1,550 in H2 2015.

Cost of sales

Cost of sales, for sales of own products, comprises the cost of procuring and processing raw materials into finished goods for export and, for sales of third party products, includes the cost of the products to us and other incidental costs to transport the goods to customers (for sales not on FOB basis). The breakdown is shown as below:

	Q2 2015		Q2 2014		H1 2015		H1 2014	
	US$ million	As a % of total cost of sales	US$ million	As a % of total cost of sale	US$ million	As a % of total cost of sales	US$ million	As a % of total cost of sales
Cost of sales:								
-own products	(150.5)	54%	(33.8)	100%	(256.5)	54%	(71.7)	100%
-others	(127.1)	46%	-	0%	(215.3)	46%	-	0%
Total cost of sales	(277.6)	100%	(33.8)	100%	(471.8)	100%	(71.7)	100%

Q2 2015 vs Q1 2014

Cost of sales increased by US$243.8 million or 721.4%, from US$33.8 million in Q2 2014 to US$277.6 million in Q2 2015, mainly due to the increase in sales volume from 19,336 tonnes in Q2 2014 to 192,813 tonnes in Q2 2015.

H1 2015 vs H1 2014

Cost of sales increased by US$400.1 million or 558.0%, from US$71.7 million in H1 2014 to US$471.8 million in H1 2015, mainly due to the increase in sales volume from 38,497 tonnes in H1 2014 to 326,979 tonnes in H1 2015.

<u>Gross Profit</u>

	Q2 2015	Q2 2014	H1 2015	H1 2014
Total revenue (US$ million)				
-own products	164.2	37.2	282.2	78.0
-others	134.1	-	224.5	-
	298.3	37.2	506.7	78.0
Total cost of sales (US$ million)				
-own products	(150.5)	(33.8)	(256.5)	(71.7)
-others	(127.1)	-	(215.3)	-
	(277.6)	(33.8)	(471.8)	(71.7)
Gross profit (US$ million)				
-own products	13.7	3.4	25.7	6.3
-others	7.0	-	9.2	-
	20.7	3.4	34.9	6.3
Sales volume (tonnes)				
- own products	107,406	19,336	182,488	38,497
- others	85,407	-	144,491	-
	192,813	19,336	326,979	38,497
Gross profit per tonne (US$)				
- own products	128	176	141	163
- others	82	-	64	-

Analysis of gross profit of own products

	Q2 2015	Q2 2014	H1 2015	H1 2014
Revenue (US$ million)	164.2	37.2	282.2	78.0
Cost of raw materials (US$ million)	(135.9)	(30.7)	(229.5)	(66.0)
Gross material profit (US$ million)	28.3	6.5	52.7	12.0
Processing cost (US$ million)	(14.6)	(3.1)	(27.0)	(5.7)
Gross profit (US$ million)	13.7	3.4	25.7	6.3
Sales volume of own products (tonnes)	107,406	19,336	182,488	38,497
Gross material profit (US$ per tonne)	263	338	289	311

Q2 2015 vs Q2 2014

Gross profit increased by US$17.3 million or 508.4% from US$3.4 million in Q2 2014 to US$20.7 million in Q2 2015 mainly due to the contribution from sales made by Anson, NCE and the Centrotrade entities.

On a per tonne basis, total gross profit is lower than Q2 2014 due to changes in the mix of business, with distribution of third party products (which represented 45.0% of sales volume in Q2 2015 vs 0% in Q2 2014) having a lower gross margin than the production and sale of the Group's own products.

Gross profit per tonne on the sale of the Group's own products was lower in Q2 2015 than in Q2 2014 by US$48.0 per tonne, mainly due to the decrease in gross material profit per tonne from US$338 in Q2 2014 to US$263 in Q2 2015. This was partially offset by lower processing costs per tonne due to the scale benefit of fixed overheads being spread over a higher production volume.

H1 2015 vs H1 2014

Gross profit increased by US$28.6 million or 456.5% from US$6.3 million in H1 2014 to US$34.9 million in H1 2015 mainly due to sales made by Anson, NCE and the Centrotrade entities.

On a per tonne basis, total gross profit is lower than H1 2014 due to changes in the mix of business, with distribution of third party products (which represented 44.0% of sales volume in H1 2015 vs 0% in H1 2014) having lower gross margin than production and sale of the Group's own products.

Gross profit per tonne on the sale of the Group's own products was lower in H1 2015 than in H1 2014 by US$22.0 per tonne, mainly due to the decrease in gross material profit per tonne from US$311 in H1 2014 to US$289 in H1 2015 which was partially offset by lower processing costs per tonne.

Profit before tax

Q2 2015 vs Q2 2014

Profit before tax in Q2 2015 was US$5.0 million, an increase of US$4.4 million from the profit before tax in Q2 2014 of US$0.6 million. The increase in the profit before tax was mainly due to the contribution from Anson, NCE and the Centrotrade entities as explained above, and offset by the non-recurring administrative expenses of US$0.9 million.

Selling and administrative expenses increased from US$2.3 million in Q2 2014 to US$9.6 million in Q2 2015, an increase of US$7.3 million due to the consolidation of Anson, NCE and the Centrotrade entities and the non-recurring administrative expenses. In Q2 2015, we benefited from a foreign exchange gain of US$1.2 million due to strengthening of the US$ against the key foreign currencies in which the bulk of our operating expenses are denominated (Indonesia Rupiah, Singapore Dollars and Malaysian Ringgit).

Depreciation increased by US$1.9 million mainly due to the depreciation expenses on properties, plant and equipment of Anson.

Finance cost increased by US$6.1 million from US$0.4 million in Q2 2014 to US$6.5 million in Q2 2015, mainly due to the interest expense incurred on the acquisition term loan and on the notes issued under the company's Medium Term Note ("MTN") Programme on 31 July 2014, which were utilised to partly finance the Anson acquisition. In addition, the Q2 2015 finance cost includes the working capital financing cost of Anson, NCE and the Centrotrade entities, which were not applicable for Q2 2014.

H1 2015 vs H1 2014

Profit before tax in H1 2015 was US$8.2 million, an increase of US$7.2 million or 719.1% from profit before tax in H1 2014 of US$1.0 million. The increase was mainly due to the contribution from Anson, NCE and the Centrotrade entities and offset by the increase of selling and administration expenses, depreciation and finance cost outlined above.

Profit after tax

Q2 2015 vs Q2 2014

Profit after tax in Q2 2015 was US$3.6 million, an increase of US$3.0 million from the corresponding figure in Q2 2014 of US$0.6 million.

H1 2015 vs H1 2014

Profit after tax in H1 2015 was US$5.8 million, an increase of US$4.9 million from the corresponding figure in H1 2014 of US$0.9 million.

REVIEW OF THE FINANCIAL POSITION OF THE GROUP FOR Q2 2015 VS Q2 2014 AND H1 2015 VS H1 2014

Non-current assets

The decrease in non-current assets as at 30 June 2015 (US$369.7 million) of US$7.7 million or 2% from 31 December 2014 (US$377.4 million) was mainly due to depreciation expense and foreign exchange difference in aggregate of US$10.5 million for property, plant and equipment in Indonesia and Malaysia as a result of weakening of Indonesian Rupiah and Malaysian Ringgit against US Dollar, offset by an increase in intangible assets of US$2.5 million arising from the acquisition of the Centrotrade entities.

Current assets

Current assets increased by US$50.3 million or 19.1% from 31 December 2014 (US$263.6 million) to 30 June 2015 (US$313.9 million), primarily attributable to:

- decrease in cash and bank balance of US$21.4 million is mainly due to payment of the remaining consideration for acquisition of NCE (US$14.6 million), consideration paid for acquisition of the Centrotrade entities (US$1.9 million) and capital expenditure of US$3.0 million;
- increase in inventories of US$47.5 million is mainly due to ramped up raw material purchases in H1 2015 due to peak production of the rubber trees in Indonesia and inclusion of inventories of the Centrotrade entities of US$14.3 million;
- increase in trade receivables of US$11.3 million is mainly due to inclusion of trade receivables of the Centrotrade entities of US$21.9 million offset by repayment from customers; and
- increase in other receivables of US$7.6 million was mainly due to prepayment of principal and interest for the syndicated loan facility in relation to Q3 2015 that was finalised on 30 June 2015.

Current liabilities

Current liabilities increased by US$107.7 million or 97.1% from 31 December 2014 (US$110.9 million) to 30 June 2015 (US$218.7 million), mainly due to inclusion of working capital liabilities of the Centrotrade entities and also, the new syndicated loan facility that was put in place on 30 June 2015, which resulted in the re-classification of certain non-current term loan to current loan payables (see table below). The increase is offset by decrease in trade and other payables of US$24.7 million mainly due to repayment made to trade suppliers and the payment of the remaining consideration for the acquisition of NCE of US$14.6 million.

The breakdown of the current loan payables are as follows:

(US$ million)	30 June 2015	31 December 2014
Working capital loans	165.3	55.4
Term loans	23.2	3.1
Total	**188.5**	**58.5**

Non-current liabilities

Non-current liabilities decreased by US$50.3 million or 13.6% from 31 December 2014 (US$369.5 million) to 30 June 2015 (US$319.2 million), mainly due to reclassification of certain non-current term loan to current loan payables as a result of new syndicated loan facility that was put in place on 30 June 2015.

Equity

The Group's equity decreased by US$14.8 million from US$160.5 million as at 31 December 2014 to US$145.7 million as at 30 June 2015, mainly due to the foreign currency translation losses arising during the period, as a result of weakening of Indonesian Rupiah and Malaysian Ringgit against US Dollar, offset by the Group's H1 2015 net profit.

Working capital

As at 30 June 2015, net working capital amounted to US$91.0 million, as set out below:

(US$ million)	30 June 2015	31 December 2014
Cash and bank balances	56.1	62.5
Trade receivables	76.3	65.0
Inventories	135.6	88.1
Less: Trade payables	(11.7)	(27.0)
Less: Working capital loans (current)	(165.3)	(55.4)
Net working capital	**91.0**	**133.2**

REVIEW OF THE CASH FLOW STATEMENT OF THE GROUP FOR Q2 2015 VS Q2 2014 AND H1 2015 VS H1 2014

The following table sets out a summary of cash flows for Q2 2015, Q2 2014, H1 2015 and H1 2014:

(US$ million)	**Q2 2015**	**Q2 2014**	**H1 2015**	**H1 2014**
Net cash from operating activities, before working capital changes	4.9	(0.9)	7.0	1.6
Changes in working capital	(2.5)	(4.2)	(30.4)	(10.4)
Net cash from/(used in) operating activities	2.4	(5.1)	(23.4)	(8.8)
Net cash used in investing activities	(11.9)	(2.8)	(22.4)	(34.5)
Net cash from financing activities	12.8	16.2	28.9	21.8
Net increase/(decrease) in cash and cash equivalents	3.4	8.3	(16.9)	(21.6)
Cash and cash equivalents at the beginning of the period	53.4	19.8	75.7	49.7
Effect of exchange rate changes on the balance of cash held in foreign currencies	(0.7)	0.1	(2.7)	0.1
Cash and cash equivalents at the end of the period	**56.1**	**28.2**	**56.1**	**28.2**

Q2 2015 vs Q2 2014

The Group's cash and cash equivalents increased by US$2.2 million during Q2 2015. We recorded net cash inflow from operating activities of US$2.4 million during Q2 2015 mainly due to the operating profit generated in the quarter, offset by the investment in working capital amounting to US$2.5 million.

Cash outflow from investing activities was US$11.9 million, comprising the payment of the remaining net consideration for the acquisition of NCE and the Centrotrade entities of US$7.1 million and US$1.9 million respectively, and capital expenditure of US$3.0 million.

Net cash inflow from financing activities was US$12.8 million, mainly due to the proceeds from the drawdown of syndicated loan facility amounting to US$360.4 million which was finalised on 30 June 2015 and withdrawal of pledged deposits of US$1.2 million, offset by the repayment of bridge facility of US$271.8 million and repayment of other term loans, working capital loans and associated interest expense of US$76.9 million.

H1 2015 vs H1 2014

The Group's cash and cash equivalents decreased by US$18.0 million during H1 2015. We recorded net cash outflow from operating activities of US$23.4 million during H1 2015, as the Group invested into working capital amounting to US$30.4 million.

Cash outflow from investing activities was US$22.4 million, comprising payment of the remaining net consideration for the acquisition of NCE and the Centrotrade entities of US$14.6 million and US$1.9 million respectively, and capital expenditure of US$5.8 million.

Net cash inflow from financing activities was US$28.9 million, mainly due to the proceeds from the drawdown of syndicated loan facility amounting to US$360.4 million which was finalised on 30 June 2015 and withdrawal of pledged deposit of US$1.7 million, offset by the repayment of bridge facility of US$271.8 million, payment of MTN interest of US$3.2 million and repayment of other term loans, working capital loans and associated interest expense of US$58.0 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The Company did not issue any prospect statement.

10. A commentary at the date of the announcement of the significant trend and competitive conditions of the industry in which the group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

Halcyon Agri's financial results over the remainder of 2015 will be driven primarily by the ongoing integration of the Group's proprietary supply chain, including the recently completed acquisition of the Centrotrade entities. The price environment for natural rubber remains challenging, disconnected from fundamentals and extremely volatile. Halcyon Agri's focus, irrespective of prevailing market prices, continues to be: to serve our customers by providing high quality products, upholding high standards of governance and sustainability and, in turn, realising a fair price for our products and an appropriate return for our investors.

11. Dividend

(a) ***Current Financial Period Reported On***
Any dividend declared for the current financial period reported on?

No dividends have been declared or recommended for the current financial period.

(b) ***Corresponding Period of the Immediately Preceding Financial Year***
Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) ***Date payable***

Not applicable.

(d) ***Books closure date***

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect

No dividend has been declared or recommended for the current financial period.

13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have an IPT Mandate. There were no IPTs which were more than S$100,000 entered into by the Group during the current financial period reported on.

In 2014, the Group entered into an interested person transaction with ACL in relation to the establishment of the joint investment for the acquisition of Anson. ACL is a company ultimately owned by Robert Meyer, the Executive Chairman and CEO of the Company. The value of the IPT is approximately S$110.0 million and it has been approved by the shareholders of the Company in an extraordinary general meeting of the Company held on 4 August 2014.

Pursuant to the joint investment with ACL under the subscription and shareholders' agreement dated 11 July 2014 entered into between ACL, HRC and the Company ("Subscription and Shareholders' Agreement"), HRC had on 7 August 2014 ("Issuance Date"), issued 75,000,000 preference shares to ACL ("HRC Preference Shares") pursuant to the fulfilment of the condition precedents set out in the Subscription and Shareholders' Agreement. The HRC Preference Shares may be purchased in whole but not in part by the Company ("Purchase Offer") at any time from the date falling six (6) months from the Issuance Date for either cash or exchangeable into such number of ordinary shares in the Company ("Shares") computed as the aggregate of the issue amount of the HRC Preference Shares of S$75.0 million ("Issue Amount") and the amount which would result in a 15% internal rate of return per annum on the Issue Amount (taking into account the receipt of any preference dividends) divided by the exchange price which shall be the lower of:

(a) S$1.20 per Share on a fully diluted basis; and

(b) the volume weighted average price of Shares over the five (5) trading days immediately prior to the Purchase Offer,

subject to the terms and conditions of the Subscription and Shareholders' Agreement.

14. Segmental information – Second Quarter 2015 (“Q2 2015) and First Half 2015 (“H1 2015”)

Halcyon Agri is a global leader in natural rubber, supporting the world’s growing mobility needs through the origination, production and distribution of natural rubber. The Group sources a broad range of grades from all major origins globally, operates 14 natural rubber processing facilities in Indonesia and Malaysia, and distributes to an international customer base through its network of warehouses and sales offices in South East Asia, China, the United States of America and Europe.

The Group’s supply chain model is designed to capture adjacent margins along the natural rubber value chain, as follows:

- **Plantation segment** – the management of natural rubber estates, both owned by the Group and external third parties, employing latest agronomical models and best ecological practices to achieve world-leading sustainable yields. During Q2 2015 and H1 2015, there is no revenue and operating profit derived from this segment.
- **Processing segment** – the procurement and processing of raw materials into high quality technically specified rubber (“TSR’) in our 14 processing factories, with a strong focus on Corporate Social Responsibility (“CSR”) and the development of premium grades.
- **Distribution segment** – the merchandising and distribution of natural rubber and latex from the Group’s own factories as well as selected third party origins and grades.
- **Corporate segment** – covers group strategic management, corporate finance, group administration & legal matters, treasury, taxation and investment properties.

The results of the operating segments are reviewed continuously by the Group’s executive team to optimise allocation of resources between the segments. Segmental performance is evaluated based on operating profit or loss which, in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on reasonable basis.

Segment information- Second Quarter 2015 ("Q2 2015")

	Plantation		Processing		Distribution		Corporate		Elimination		Consolidated	
(US$'000)	**Q2 2015**	**Q2 2014**	**Q2 2015**	**Q2 2014**	**Q2 2015**	**Q2 2014**	**Q2 2015**	**Q2 2014**	**Q2 2015**	**Q2 2014**	**Q2 2015**	**Q2 2014**
Revenue to third party	-	-	137,488	37,202	160,832	-	-	-	-	-	298,320	37,202
Inter-segment revenue	-	-	26,057	-	9,363	-	915	915	(36,335)	(915)	-	-
Total Revenue	**-**	**-**	**163,545**	**37,202**	**170,195**	**-**	**915**	**915**	**(36,335)**	**(915)**	**298,320**	**37,202**
Gross profit	**-**	**-**	**13,101**	**3,411**	**7,652**	**-**	**915**	**915**	**(915)**	**(915)**	**20,753**	**3,411**
Operating (loss)/profit	**(118)**	**(113)**	**6,931**	**683**	**4,170**	**-**	**(1,606)**	**(92)**	**1,936**	**597**	**11,313**	**1,075**
Finance income											241	6
Finance cost											(6,531)	(435)
Profit before taxation											**5,023**	**646**
Income tax expense											(1,420)	(42)
Profit for the financial period											**3,603**	**604**
Total sales volume (tonnes)	-	-	107,406	19,336	110,537	-	-	-	(25,130)	-	192,813	19,336
Gross profit per tonne (US$)	-	-	122	149	69	-	-	-	-	-	108	176
Segment Assets	43,523	45,336	651,513	141,882	136,898	-	458,858	211,220	(607,251)	(223,397)	683,541	175,041
Segment Liabilities	6,417	940	468,790	71,574	97,038	-	354,363	132,174	(388,719)	(124,038)	537,889	80,650
Other information:												
Depreciation expenses	33	29	2,213	363	61	-	21	15	-	-	2,328	407
Capital expenditure	1,312	805	1,554	1,766	16	-	31	38	-	-	2,913	2,609

Segment information for First Half of 2015 ("H1 2015")

(US$'000)	Plantation H1 2015	Plantation H1 2014	Processing H1 2015	Processing H1 2014	Distribution H1 2015	Distribution H1 2014	Corporate H1 2015	Corporate H1 2014	Elimination H1 2015	Elimination H1 2014	Consolidated H1 2015	Consolidated H1 2014
Revenue to third party	-	-	237,874	77,967	268,810	-	-	-	-	-	506,684	77,967
Inter-segment revenue	-	-	43,050	-	17,160	-	1,830	1,830	(62,040)	(1,830)	-	-
Total Revenue	**-**	**-**	**280,924**	**77,967**	**285,970**	**-**	**1,830**	**1,830**	**(62,040)**	**(1,830)**	**506,684**	**77,967**
Gross profit	**-**	**-**	**24,427**	**6,271**	**10,473**	**-**	**1,830**	**1,830**	**(1,830)**	**(1,830)**	**34,900**	**6,271**
Operating (loss)/profit	**(342)**	**(186)**	**12,656**	**1,984**	**4,463**	**-**	**(844)**	**331**	**4,158**	**(441)**	**20,091**	**1,688**
Finance income											426	34
Finance cost											(12,351)	(725)
Profit before taxation											**8,166**	**997**
Income tax expense											(2,376)	(59)
Profit for the financial period											**5,790**	**938**
Total sales volume (tonnes)	-	-	182,488	38,497	186,837	-	-	-	(42,346)	-	326,979	38,497
Gross profit per tonne (US$)	-	-	134	163	56	-	-	-	-	-	107	163
Segment Assets	43,523	45,336	651,513	141,882	136,898	-	458,858	211,220	(607,251)	(223,397)	683,541	175,041
Segment Liabilities	6,417	940	468,790	71,574	97,038	-	354,363	132,174	(388,719)	(124,038)	537,889	80,650
Other information:												
Depreciation expenses	77	45	4,439	888	93	-	39	28	-	-	4,648	961
Capital expenditure	1,629	1,008	4,178	5,230	58	-	43	54	-	-	5,908	6,292

15. Negative Confirmation by the Board Pursuant to Rule 705(5).

We, Robert Meyer and Pascal Demierre, hereby confirm on behalf of the Board of Directors (the "Board") of the Company that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial results for the second quarter and first half ended 30 June 2015 to be false or misleading in any material aspect.

On behalf of the Board of Directors:

Robert Meyer	Pascal Demierre
Executive Chairman and CEO	Executive Director

By Order of the Board

Robert Meyer
Executive Chairman and CEO

Singapore,
5 August 2015