MEDIA RELEASE

For Immediate Release

HALCYON AGRI CONTINUES ON GROWTH TRAJECTORY WITH SUSTAINED GAIN IN EARNINGS FOR Q3 2017

- Q3 2017 revenue grew 157.7%, on higher revenue per tonne and sales volume as compared to Q3 2016
- Net profit of US$8.6 million in Q3 2017 reverses the Group's net loss position in Q3 2016
- Cash generated from operations before working capital changes rose to US$66.9 million for 9M 2017, up from US$6.3 million for 9M 2016

Singapore, 3 November 2017 - Halcyon Agri Corporation Limited ("Halcyon Agri" or collectively with its subsidiaries, the "Group"), one of the world's largest natural rubber supply chain managers, today posted a net profit of US$8.6 million for the third quarter ended 30 September 2017 ("Q3 2017") compared to a net loss of US$12.0 million in the same period a year ago ("Q3 2016"). This was on the back of a 157.7% jump in revenue to US$482.1 million, from US$187.1 million in Q3 2016.

For the nine months ended 30 September 2017 ("9M 2017"), the Group recorded a net profit of US$21.7 million, versus a net loss of US$26.3 million for the nine months ended 30 September 2016 ("9M 2016"). Revenue for 9M 2017 rose 167.0% to US$1,519.0 million, from US$569.0 million recorded in 9M 2016.

Commenting on the results, Mr Robert Meyer, Executive Director and Chief Executive Officer of Halcyon Agri, said, "Despite the volatile market conditions, we have delivered a strong set of results for the 9M 2017 and generated US$66.9 million in net cash generated from our operations before working capital changes. This is testament to our sound operating fundamentals. As we continue to unlock the benefits of our recent three-way merger, we remain committed to strengthening our market position and growing the business to create sustainable long-term value for our shareholders."

Q3 & 9M 2017 Financial Highlights

	Q3 2017 1 Jul 17 to 30 Sep 17	**Q3 2016** 1 Jul 16 to 30 Sep 16	**% change**	**9M 2017** 1 Jan 17 to 30 Sep 17	**9M 2016** 1 Jan 16 to 30 Sep 16	**% change**
Revenue (US$m)	482.1	187.1	157.7%	1,519.0	569.0	167.0%
Gross profit (US$m)	35.7	7.2	397.0%	116.1	28.2	311.2%
EBITDA (US$m)	21.3	(1.8)	n/m	65.2	0.7	9,338.8%
Operating profit / (loss) (US$m)	15.3	(4.2)	n/m	48.3	(6.3)	n/m
Net income / (loss) (US$m)	8.6	(12.0)	n/m	21.7	(26.3)	n/m

	Q3 2017 1 Jul 17 to 30 Sep 17	Q3 2016 1 Jul 16 to 30 Sep 16	% change	9M 2017 1 Jan 17 to 30 Sep 17	9M 2016 1 Jan 16 to 30 Sep 16	% change
Profit / (loss) before taxation (US$m)	12.1	(11.0)	n/m	40.5	(26.0)	n/m
Profit / (loss) attributable to owners of the Company (US$m)	7.8	(12.1)	n/m	24.8	(26.7)	n/m
Adjusted earnings / (loss) per share (US cents)	0.49	(0.76)	n/m	1.56	(1.68)	n/m
Cash and cash equivalents at the end of the period (US$m)	107.1	49.0	118.6%	107.1	49.0	118.6%

n/m – not meaningful

Group Performance

The higher revenue was mainly backed by an increase in revenue per tonne from US$1,426 in Q3 2016 to US$1,606 in Q3 2017. Additionally, higher sales volume in the form of newly acquired assets from Sinochem International Corporation Co., Ltd. ("Sinochem") and GMG Global Ltd. ("GMG Global"), as well as from the Group's existing operations, contributed to the revenue improvement.

On the back of higher sales activity, cost of sales increased from US$179.9 million in Q3 2016 to US$446.5 million. Consequently, gross profit rose 397.0% to US$35.7 million in Q3 2017, from US$7.2 million in Q3 2016.

The increase in gross profit was mainly due to improved margins in the Processing Segment and contributions from the operations acquired in Q4 2016. Profit before tax was US$12.1 million, in contrast with a loss before tax of US$11.0 million in Q3 2016. This took into account the increase in selling and administrative expenses, in line with the expanded operations following the acquisitions of GMG Global and Sinochem's natural rubber assets in Q4 2016.

The Group recorded a net cash inflow from operating activities of US$35.7 million during Q3 2017, up from US$9.3 million in Q3 2016. Halcyon Agri also registered a cash outflow from investing activities of US$16.4 million, due mainly to capital expenditure on property, plant and equipment and plantation assets. During the same period, the Group's net cash outflow from financing activities was US$145.6 million, mainly due to repayment of $125 million MTN and other working capital loans.

The Group's equity also increased from US$647.8 million as at 31 December 2016 to US$871.1 million as at 30 September 2017, mainly due to the net proceeds of US$148.7 million received from the issuance of perpetual securities, the Group's 9M 2017 net income and foreign currency translation gain arising during the period.

Strategic transactions to continue driving growth

As part of the Group's asset divestment strategy, Halcyon Agri has disposed of its 35% stake in SIAT S.A. for €192.56 million. The funds received will be used to shore up the Group's balance sheet substantially, which will support Halcyon Agri's plans to seek out strategic investment opportunities to drive its growth.

Industry Outlook and Business Commentary

The Group continues to realise the positive impact of post-merger cost tightening and revenue synergies, which together with an improvement in operating leverage has benefited the Group's financial performance. While rubber markets continue to face short term price volatility, Halcyon Agri is cautiously optimistic of business prospects in the coming financial year.

The dichotomy between the cost of rubber production as a specialised industrial product and how it is priced via the various futures exchanges is expected to present the Group with an opportunity to be an aggregator in the sector, and thereby reap the benefits from the scale, scope and reach of the business.

Looking ahead, Mr Meyer added, "Notwithstanding the volatility in rubber prices, we continue to shore up our capabilities and growth potential. Our strategic transactions, such as the completed disposal of SIAT S.A. in October will further strengthen our balance sheet.

"With additional funds, we will be in a stronger position to diversify our origination and processing bases, grow our distribution capabilities and acquire additional strategic assets to expand our franchise."

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About Halcyon Agri

Halcyon Agri is a natural rubber supply chain manager, supporting the world's growing mobility needs through the origination, production and distribution of natural rubber. The Group owns 33 natural rubber processing factories in Indonesia, Thailand, Malaysia China and Africa and produces sustainable, natural rubber under its proprietary HEVEA*PRO* brand. It distributes its products and a range of other natural rubber grades, including latex, to an international customer base through its network of warehouses and sales offices in South East Asia, China, Europe, South Africa and the United States. The Group's workforce totals more than 14,000 people and its aggregate natural rubber distribution capacity is approximately 2 million metric tonnes per annum.

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