MEDIA RELEASE

For Immediate Release

HALCYON AGRI DELIVERS SIGNIFICANT INCREASE IN SCALE, SCOPE AND MARKET SHARE FOR H1 2017 DRIVING STRONG FREE CASH FLOW GENERATION

- Revenue grew by 171.5% to US$1.04 billion in H1 2017
- Profit before taxation of US$28.4 million for H1 2017 reverses Group's loss position in H1 2016, resulting in earnings per share of 1.07 US cents
- Generated strong FCF[1] of US$47.6 million in H1 2017
- Ongoing review of assets and operations places the Group strategically on track to future growth

Singapore, 2 August 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 announced its financial results for the second quarter and first half-year ended 30 June 2017 ("Q2 2017" and "H1 2017" respectively). The gains achieved in the Group's top and bottom line in Q2 2017 and H1 2017 were driven by the synergies and benefits reaped through the integration of the natural rubber assets of Sinochem International Corporation Co., Ltd. ("Sinochem") and GMG Global Ltd. ("GMG Global").

Commenting on the Group's results, Mr Robert Meyer, Executive Director and Chief Executive Officer of Halcyon Agri, said, "We are pleased that the Group continues to reap the benefits from the merger late last year as we continue to deliver strong returns. We recognise that the full potential of our merger has not yet been realised, and we look forward to leveraging on further synergies created through acquired assets, as well as pipeline acquisitions."

Group Targets Long-term Growth Trajectory

The Group's integration of its natural rubber assets has progressed smoothly. Over H1 2017, structuring of major new and existing assets into more efficient and cost-effective management platforms and business operations have placed Halcyon Agri on a long-term growth trajectory. The Group is in the midst of realising certain cost and revenue synergies from an integration of this scale, which will continue to unlock greater value for its stakeholders.

As part of Halcyon Agri's ongoing strategic review and optimisation of its capital and asset portfolio, the Group has classified its investment in SIAT S.A. and certain assets relating to its Thailand operations as assets held for sale. The Group has granted an extension until 15 September 2017 for Fimave SA/NV to exercise the Call Option to acquire 35% of its interest in SIAT S.A., to allow additional time for Fimave to finalise its financing arrangements. Subject to the exercise of the Call Option, the sale and purchase agreement shall be executed by 30 September 2017. To optimise its operations, the Group has, following a review of its operations in Thailand, classified such assets conducted through Teck Bee Hang Co. Ltd. and its subsidiaries, as held for sale. This discontinuing operations contributed US$7.7 million loss after tax in H1 2017.

[1] Free cash flow (FCF) is measured by operating cash flow before working capital changes minus capital expenditures. For H1 2017, the Group's capital expenditure was mainly on property, plant and equipment and plantation assets.

Amidst proposed disposals of operations and subsidiaries, the Group continues to make strategic investments and acquisitions to drive future growth. This included the enlargement of stakes in select subsidiaries, with some becoming wholly-owned.

Mr Meyer further commented, "We are reviewing our global portfolio as part of our ongoing asset rationalisation strategy. Part of this process entails making certain strategic divestments and investments, as part of our aim to be an industry player with scale and long-term growth potential. We will continue to seek viable and environmentally-conscious methods to reinvent the rubber business, and align our business to a sustainable, customer-centric organisation that delivers consistent value to our stakeholders."

Industry Outlook and Business Commentary

Following the merger with GMG Global and the unlisted assets of Sinochem, the Group experienced a significant increase in its operational scale and scope, as well as market share. In that regard, Halcyon Agri has completed the formation of its geographical and strategic management, marketing and reporting platforms to cater to broader operations. The Group expects the positive impact from post-merger cost and revenue synergies, and the improvement in operating leverage, to continue to support the Group's performance.

While the price of natural rubber has remained volatile over H1 2017, and the Group expects continued volatility over the remainder of 2017, the Group remains cautiously optimistic that price fluctuations will not be of a similar magnitude faced in 2016. Operationally, the Group continues to tighten its cost controls and will continue to review and optimise its asset portfolio to bring about sustainable long-term growth.

Halcyon Agri remains committed to a customer-centric approach in its development of more efficient processes in the industry. In this regard, the Group seeks ways to continually drive operational synergies and improve on existing processes, in its efforts to contribute more to applications such as global mobility, and health and safety needs.

Q2 & H1 2017 Financial Highlights

	H1 2017	**H1 2016**	**% change**	**Q2 2017**	**Q2 2016**	**% change**
	1 Jan 17 to 30 Jun 17	1 Jan 16 to 30 Jun 16		1 Apr 17 to 30 Jun 17	1 Apr 16 to 30 Jun 16	
Revenue (US$m)	1,036.9	381.9	171.5%	527.7	198.6	165.7%
Gross profit (US$m)	80.5	21.1	281.5%	32.2	9.1	253.8%
EBITDA (US$m)	43.9	2.5	1,656%	11.5	0.7	1,542.9%
Operating profit / (loss) (US$m)	32.9	(2.1)	n/m	5.6	(1.7)	n/m
Net income / (loss) (US$m)	13.1	(14.3)	n/m	3.5	(7.8)	n/m

	H1 2017	H1 2016	% change	Q2 2017	Q2 2016	% change
	1 Jan 17 to 30 Jun 17	1 Jan 16 to 30 Jun 16		1 Apr 17 to 30 Jun 17	1 Apr 16 to 30 Jun 16	
Profit / (loss) before taxation	28.4	(15.1)	n/m	5.4	(8.2)	n/m
Profit / (loss) attributable to owners of the Company (US$m)	12.8	(14.6)	n/m	1.7	(8.0)	n/m
Adjusted earnings / (loss) per share (US cents)	1.07	(0.92)	n/m	0.10	(0.50)	n/m
Cash and cash equivalents at the end of the period (US$m)	231.4	66.7	246.9%	231.4	66.7	246.9%

n/m – not meaningful

Group Performance

A stronger year-on-year performance was achieved in Q2 2017 and H1 2017. The Group's revenue rose by 165.7% from US$198.6 million in Q2 2016 to US$527.7 million in Q2 2017. This contributed to a 171.5% growth in revenue for H1 2017 from US$381.8 million in H1 2016 to US$1,036.9 million in H1 2017. The strong revenue growth was mainly due to higher sales volumes from the contributions of newly-acquired assets and existing operations, as well as an increase in rubber prices during Q2 2017 and H1 2017, against their comparative year-ago periods.

Operationally, the Group recorded revenue growth across all three of its business segments in plantation, processing and distribution respectively. Growth is attributed to merger benefits from increased contribution, as well as more favourable natural rubber prices in H1 2017, as compared to H1 2016.

As a result of the increase in sales volume and the price of raw materials – which is in line with market price movements for natural rubber – cost of sales incurred by Halcyon Agri rose by 161.5% and 165.1% for Q2 2017 and H1 2017 to US$495.5 million and US$956.4 million respectively, as compared to their corresponding year-ago periods. Gross profit for Q2 2017 and H1 2017 were up 254.2% and 282.0% to US$32.2 million and US$80.5 million respectively.

Factoring in increased administrative, selling and other expenses incurred due to its business integration, the Group achieved post-tax net profits of US$3.1 million and US$20.8 million in Q2 2017 and H1 2017 respectively.

Earnings before interest, tax, depreciation and amortisation ("EBITDA") also improved to US$11.5 million and US$43.9 million in Q2 2017 and H1 2017 respectively, in comparison to US$0.7 million recorded in Q2 2016, and US$2.5 million in H1 2016. Additionally, adjusted earnings per share ("EPS") was 0.10 US cents and 1.07 US cents for Q2 2017 and H1 2017 respectively, marking significant increases from the losses per share incurred in Q2 2016 and H1 2016. Net asset value ("NAV") per ordinary share increased 29.1% to 52.45 US cents as at 30 June 2017, as compared to a NAV of 40.62 US cents as at 31 December 2016.

The Group's operating cash flows before working capital changes for H1 2017 was US$67.9 million, in comparison to US$0.2 million for the corresponding first-half period that ended 30 June 2016. As at 30 June 2017, the Group's net cash and cash equivalents stood at US$231.4 million, rising US$170.3 million from US$61.1 million at the beginning of Q2 2017.

The Group's equity increased by US$188.7 million to US$836.5 million as at 30 June 2017 from US$647.8 million as at 31 December 2016, mainly due to net proceeds of US$148.7 million from the issuance of perpetual securities, the Group's H1 2017 positive net income and foreign currency translation gains.

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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 tonnes per annum.

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