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

Unaudited Financial Statement for the First Quarter Ended 31 March 2015

This announcement has been prepared by Halcyon Agri Corporation Limited (the "Company" or "Halcyon Agri") and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

About us

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. Halcyon Agri's workforce totals approximately 4,000 people and its aggregate natural rubber distribution capacity is approximately 1 million tonnes per annum.

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 Statement of Comprehensive Income for the First Quarter Ended 31 March 2015 ("Q1 2015") and 31 March 2014 ("Q1 2014")

	Group		
	Q1 2015 (Unaudited)	Q1 2014 (Unaudited)	Change
	US$'000	US$'000	%
Revenue	208,364	40,765	411.1
Cost of sales	(194,217)	(37,906)	412.4
Gross profit	14,147	2,859	394.8
Other income	266	35	660.0
Selling expenses	(2,698)	(340)	693.5
Administrative expenses	(2,937)	(1,942)	51.2
Operating profit	8,778	612	1,334.3
Finance income	185	28	560.7
Finance costs	(5,820)	(290)	1,906.9
Profit before taxation	3,143	350	798.0
Income tax expense	(956)	(17)	5,523.5
Profit for the financial period	2,187	333	556.8
Profit attributable to:			
Owners of the Company	1,231	352	249.7
Non-controlling interest	956	(19)	n/m
	2,187	333	556.8
Other comprehensive (loss)/ income			
Items that may be reclassified subsequently to profit and loss			
Exchange differences on translation of foreign operations	(14,554)	1,902	n/m
Cash flow hedge -losses arising during the period	(262)	-	n/m
Recognised in the profit and loss accounts on occurrence of hedged transactions	299	-	n/m
Total comprehensive (loss)/ income for the financial period	(12,330)	2,235	n/m
Total comprehensive (loss) /income attributable to:			
Owners of the Company	(8,512)	2,254	n/m
Non-controlling interests	(3,818)	(19)	19,995.9
	(12,330)	2,235	n/m
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	11,099	1,166	851.9
Adjusted EBITDA [1]	11,702	1,273	819.2
Earnings per share("EPS") (refer item 6):			
Basic and diluted EPS in US cents	0.29	0.09	224.9
Adjusted EPS in US cents	0.29	0.08	249.7

n/m - not meaningful

(1) Adjusted for non-recurring expenses of US$0.6 million

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

Profit for the financial period has been arrived at after crediting/(charging) the following:			
	Group		
	Q1 2015 (Unaudited)	Q1 2014 (Unaudited)	Change
	US$'000	US$'000	%
Cost of inventories recognised as an expense	(194,217)	(37,906)	412.4
Employee benefits expenses:			
-Cost of sales	(3,650)	(854)	327.4
-Selling expenses	(595)	(226)	163.3
-Administrative expenses	(2,605)	(884)	194.7
	(6,850)	(1,964)	248.8
Depreciation:			
-Cost of sales	(1,988)	(253)	685.8
-Selling expenses	(18)	(17)	5.9
-Administrative expenses	(315)	(284)	10.9
	(2,321)	(554)	319.0
Non-recurring expenses:			
-Acquisitions-related expenses	(108)	(107)	0.9
-Fee incurred for extension of a loan facility	(495)	-	n/m
	(603)	(107)	463.6
Professional fees	(307)	(151)	103.3
Foreign exchange gain/(loss):			
-Cost of sales	3,449	-	n/m
-Administrative expenses	2,365	(94)	n/m
	5,814	(94)	n/m
Finance cost:			
-Working capital loans	(1,175)	(158)	643.7
-Acquisition term loans	(2,949)	(132)	2,134.1
-Medium Term Notes	(1,665)	-	n/m
-Finance lease	(31)	-	n/m
	(5,820)	(290)	1,906.9

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 31 March 2015 and 31 December 2014.

	Group		Company	
	31 Mar 15	31 Dec 14	31 Mar 15	31 Dec 14
ASSETS	Unaudited US$'000	Audited US$'000	Unaudited US$'000	Audited US$'000
Non-current assets				
Intangible assets	197,773	197,773	-	-
Property, plant and equipment	147,032	155,423	143	147
Investment properties	19,540	20,551	-	-
Investment in subsidiaries	-	-	104,297	104,297
Deferred charges	163	175	-	-
Deferred tax assets	3,283	2,673	-	-
Other assets	49	49	-	-
Biological assets	801	716	-	-
Total non-current assets	368,641	377,360	104,440	104,444
Current assets				
Cash and bank balances	54,627	77,456	3,271	1,186
Trade receivables	48,099	64,964	-	-
Other receivables	39,074	25,579	99,509	107,484
Tax receivables	3,924	2,436	27	-
Derivative financial instruments	3,757	5,117	-	-
Inventories	111,965	88,075	-	-
Total current assets	261,446	263,627	102,807	108,670
Total assets	630,087	640,987	207,247	213,114
LIABILITIES AND EQUITY				
Current liabilities				
Derivative financial instruments	1,200	821	-	-
Trade payables	9,158	26,990	-	-
Other payables	16,975	23,899	1,586	3,836
Loan payables	68,209	58,538	5,241	5,936
Provision for taxation	895	294	56	47
Finance lease	412	405	412	405
Total current liabilities	96,849	110,947	7,295	10,224
Net current assets	164,596	152,680	95,512	98,446
Non current liabilities				
Loan payables	353,684	338,215	99,884	104,215
Retirement benefit obligations	10,875	11,033	-	-
Deferred tax liabilities	19,103	18,780	25	25
Finance lease	1,375	1,481	1,375	1,481
Total non current liabilities	385,037	369,509	101,284	105,721
Net assets	148,201	160,531	98,668	97,169
Capital and reserves				
Share capital	92,993	92,993	92,993	92,993
Capital reserves	143	143	-	-
Accumulated profits	9,521	8,290	5,675	4,176
Hedging reserve	(474)	(511)	-	-
Foreign currency translation reserves	(26,610)	(16,830)	-	-
Equity attributable to owners of the Company	75,573	84,085	98,668	97,169
Non-controlling interests	72,628	76,446	-	-
Total equity	148,201	160,531	98,668	97,169
Total liabilities and equity	630,087	640,987	207,247	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 31 March 2015 (Unaudited) US$'000		As at 31 December 2014 (Audited) US$'000	
	Secured	Unsecured	Secured	Unsecured
Loan payables	68,209	-	58,538	-
Finance lease	412	-	405	-

Amount repayable after one year

	As at 31 March 2015 (Unaudited) US$'000		As at 31 December 2014 (Audited) US$'000	
	Secured	Unsecured	Secured	Unsecured
Loan payables	265,487	88,197	246,375	91,840
Finance lease	1,375	-	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 property, plant and equipment, inventories, trade receivables and pledged deposits.

Term loans are secured 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 for the First Quarter Ended 31 March 2015 ("Q1 2015") and 31 March 2014 ("Q1 2014")

	Group	
	Q1 2015 (Unaudited)	Q1 2014 (Unaudited)
	US$'000	US$'000
Operating activities:		
Profit before taxation	3,143	350
Adjustments for:		
Depreciation expense	2,321	554
Retirement benefit expense	368	77
Interest income	(185)	(28)
Interest expense	5,820	290
Fair value (gain)/loss on open forward commodities contracts and inventories, unrealised	(3,441)	1,411
Unrealised exchange gain	(3,794)	-
Operating profit before working capital changes	4,233	2,654
Trade receivables	16,865	1,405
Other receivables and deferred charges	(5,857)	(1,729)
Inventories	(21,427)	(5,425)
Trade payables	(17,832)	656
Other payables	172	(1,127)
Cash used in operations	(23,846)	(3,566)
Interest received	185	28
Interest paid	(837)	(143)
Tax paid	(1,488)	(22)
Net cash used in operating activities	(25,986)	(3,703)
Investing activities		
Acquisition of subsidiaries (net of cash acquired)	(7,497)	(28,091)
Deposit paid in advance for the purchase of PPE	(124)	-
Purchase of property, plant and equipment	(2,840)	(3,684)
Capital expenditure in relation to plantation	(31)	-
Net cash used in investing activities	(10,492)	(31,775)
Financing activities		
Decrease in pledged deposits	506	-
Interest paid on Medium Term Notes	(3,095)	-
Repayment of term loans	(544)	(644)
Interest paid on acquisition term loans	(2,228)	(79)
Loan drawdown for working capital (net)	21,678	4,042
Proceeds received under finance lease arrangement	-	2,251
Repayment of obligation under finance lease arrangement	(98)	-
Net cash from financing activities	16,218	5,570
Net decrease in cash and cash equivalents	(20,260)	(29,908)
Cash and cash equivalents at beginning of the period	75,782	49,677
Effects of exchange rate changes on the balance of cash held in foreign currencies	(2,063)	79
Cash and cash equivalents at end of the period	**53,459**	**19,848**
Cash and bank balances comprise the following:		
Cash and cash equivalents	53,459	19,848
Fixed deposits - pledged	1,168	3,011
	54,627	22,859

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 31 March 2015 and 31 March 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 January 2015	92,993	143	8,290	(16,830)	(511)	76,446	160,531
Total comprehensive income/(loss) for the period							
Profit for the period	-	-	1,231	-	-	956	2,187
Other comprehensive loss	-	-	-	(9,780)	37	(4,774)	(14,517)
Total	-	-	1,231	(9,780)	37	(3,818)	(12,330)
Balance at 31 March 2015	92,993	143	9,521	(26,610)	(474)	72,628	148,201
Group (Unaudited)							
Balance at 1 January 2014	63,713	143	21,195	(4,941)	-	162	80,272
Total comprehensive income for the period							
Profit for the period	-	-	352	1,902	-	(19)	2,235
Total	-	-	352	1,902	-	(19)	2,235
Transactions with owners, recognised directly in equity							
Non-controlling interest arising from acquisition of subsidiary	-	-	-	-	-	177	177
Issue of share capital	14,795	-	-	-	-	-	14,795
Total	14,795	-	-	-	-	177	14,972
Balance at 31 March 2014	78,508	143	21,547	(3,039)	-	320	97,479
Company (Unaudited)							
Balance at 1 January 2015	92,993	-	4,176	-	-	-	97,169
Total comprehensive income for the period							
Profit for the period	-	-	1,499	-	-	-	1,499
Total	-	-	1,499	-	-	-	1,499
Balance at 31 March 2015	92,993	-	5,675	-	-	-	98,668
Company (Unaudited)							
Balance at 1 January 2014	63,713	-	2,019	-	-	-	65,732
Total comprehensive income for the period							
Profit for the period	-	-	4,894	-	-	-	4,894
Total	-	-	4,894	-	-	-	4,894
Transactions with owners, recognised directly in equity							
Issue of share capital	14,795	-	-	-	-	-	14,795
Total	14,795	-	-	-	-	-	14,795
Balance at 31 March 2014	78,508	-	6,913	-	-	-	85,421

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 1 January 2015 and 31 March 2015	421,000,000	92,993

The remaining purchase consideration for the acquisition of New Continent Enterprises (Private) Limited ("NCE") as at 31 March 2015 amounted to approximately US$7.5 million, which shall be paid in cash and which may, at the option of the NCE vendors to be communicated no less than thirty (30) days prior to the payment date, be paid for (in full) by the allotment and issuance to the NCE vendors (or their nominee) of such Shares (the "NCE Consideration Shares"), credited as fully paid at the issue price and payment date indicated below:

Payment Date	Issue Price
30 June 2015	S$1.80

Based on the assumption that the remaining consideration as set out above are paid in NCE Consideration Shares, the number of shares that may be issued is 5,732,996.

Please also 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 31 March 2015. There were no outstanding options, convertibles or treasury shares as at 31 March 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 31 March 2015 and 31 December 2014. As such, the number of issued shares excluding treasury shares as at 31 March 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	
	Q1 2015	**Q1 2014**
	Unaudited	**Unaudited**
Profit attributable to owners of the Company (US$'000)	1,231	352
Basic and diluted earnings per share ("EPS") in US cents (1)	0.29	0.09
Adjusted EPS in US cents (2)	0.29	0.08
Adjusted EPS in SGD cents (3)	0.40	0.11

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 31 March 2015 of 421,000,000 ordinary shares.

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

The basic and diluted EPS for Q1 2015 were the same as the outstanding NCE Consideration Shares have not been included in the calculation of diluted earnings per share during Q1 2015 as the NCE Consideration Shares were out-of-the-money.

The basic and diluted EPS for Q1 2014 were the same as there were no potentially dilutive ordinary shares in issue as at 31 March 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	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	Unaudited	Audited	Unaudited	Audited
Net asset value per ordinary share based on issued share capital (US cents)	35.20	38.13	23.44	23.08
Net asset value per ordinary share based on issued share capital (SGD cents) [(1)]	48.46	50.38	32.26	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 Q1 2015 VS Q1 2014

Snapshot

Operating financial statistics

		Q1 2015	Q1 2014	Change
Total sales volume	tonnes	134,166	19,161	600.2%
Revenue	US$ million	208.4	40.8	411.1%
Revenue per tonne	US$	1,553	2,127	-27.0%
Gross profit	US$ million	14.1	2.9	394.8%
EBITDA - adjusted (1)	US$ million	11.7	1.3	819.2%
Net profit - adjusted (1)	US$ million	2.8	0.4	534.1%

Notes:

(1) The results have been adjusted to exclude the non-recurring expenses of US$0.6 million in Q1 2015 (Q1 2014: US$0.1 million).

Revenue

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

	Q1 2015		Q1 2014	
	US$ million	As a % of total revenue	US$ million	As a % of total revenue
Revenue:				
-own products	118.0	57%	40.8	100%
-others	90.4	43%	-	0%
	208.4	100%	40.8	100%

	Q1 2015	Q1 2014
Sales volume of our products (tonnes)	**75,082**	**19,161**
Sales volume of others (tonnes)	**59,084**	**-**
Total sales volume	**134,166**	**19,161**
Revenue per tonne (US$)	**1,553**	**2,127**

Q1 2015 vs Q1 2014

Revenue increased by US$167.6 million or 411.1%, from US$40.8 million in Q1 2014 to US$208.4 million in Q1 2015 mainly due to increase in sales volume from 19,161 tonnes in Q1 2014 to 134,166 tonnes in Q1 2015. The additional sales volume in Q1 2015 was mainly contributed by Anson Company (Private) Limited ("Anson") (55,271 tonnes) and NCE (59,084 tonnes), which were acquired by the Group in the second half of 2014. The increase was offset by a decrease in the revenue per tonne from US$2,127 in Q1 2014 to US$1,553 in Q1 2015 due to the lower average selling price.

Cost of sales

Cost of sales, for sales of own products, comprises the cost of procuring and processing raw materials into natural rubber 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:

	Q1 2015		**Q1 2014**	
	US$ million	**As a % of total cost of sales**	**US$ million**	**As a % of total cost of sales**
Cost of sales:				
-own products	(106.1)	55%	(37.9)	100%
-others	(88.2)	45%	-	0%
Total cost of sales	(194.2) [(1)]	100%	(37.9)	100%

Note:

(1) Figures do not add up due to rounding.

Q1 2015 vs Q1 2014

Cost of sales increased by US$156.3 million or 412.4%, from US$37.9 million in Q1 2014 to US$194.2 million in Q1 2015, mainly due to the increase in sales volume from 19,161 tonnes in Q1 2014 to 134,166 tonnes in Q1 2015. The increase in sales volume was mainly contributed by Anson and NCE as explained above.

Gross profit

The gross profit per tonne information is shown below:

	Q1 2015	Q1 2014
Total revenue (US$ million)		
-own products	118.0	40.8
-others	90.4	-
	208.4	40.8
Total cost of sales (US$ million)		
-own products	(106.1)	(37.9)
-others	(88.2)	-
	(194.2) (1)	(37.9)
Gross profit (US$ million)		
-own products(1)	12.0	2.9
-others	2.2	-
	14.1 (1)	2.9
Sales volume (tonnes)		
- own products	75,082	19,161
- others	59,084	-
	134,166	19,161
Gross profit per tonne (US$)		
- own products	159	149
- others	37	-

Note:
(1) Figures do not add up due to rounding.

Analysis of gross profit of own products

	Q1 2015	Q1 2014
Revenue (US$ million)	118.0	40.8
Cost of raw materials (US$ million)	(93.6)	(35.3)
Gross material profit (US$ million)	24.4	5.4
Processing cost (US$ million)	(12.4)	(2.6)
Gross profit (US$ million)	12.0	2.9
Sales volume of own products (tonnes)	75,082	19,161
Gross material profit (US$ per tonne)	325	284

Q1 2015 vs Q1 2014

Gross profit increased by US$11.3 million or 394.8% from US$2.9 million in Q1 2014 to US$14.1 million in Q1 2015 mainly due to the contribution from the sales made by Anson and NCE. On a per tonne basis, total gross profit is lower than Q1 2014 due to changes in the mix of business, with distribution of third party products (which represented 44.0% of sales volume in Q1 2015 vs 0% in Q1 2014) having a 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 higher in Q1 2015 than Q1 2014 by US$10, mainly due to increase in gross material profit per tonne from US$284 to US$325, but this was offset by higher processing cost per tonne due to fixed overhead not optimally absorbed by the tonnages sold.

Profit before tax

Q1 2015 vs Q1 2014

Profit before tax in Q1 2015 was US$3.1 million, an increase of US$2.7 million from the profit before tax in Q1 2014 of US$0.4 million. The increase in the profit before tax was mainly due to contributions from the Anson and NCE explained above, offset by the non-recurring expense incurred of US$0.6 million.

Selling and administrative expenses increased from US$2.3 million in Q1 2014 to US$5.6 million in Q1 2015, an increase of US$3.4 million or 744.8% due to the consolidation of Anson and NCE, and the non-recurring item explained above. In Q1 2015, we benefited from a foreign exchange gain of US$2.4 million due to strengthening of the United States Dollar against the key foreign currencies in which the bulk of our operating expenses are denominated (Indonesian Rupiah, Singapore Dollars and Malaysian Ringgit).

Depreciation increased by US$1.7 million or 319.0% mainly due to additional depreciation expense on properties, plant and equipment of Anson.

Finance cost increased by US$5.5 million or 1,906.9% from US$0.3 million in Q1 2014 to US$5.8 million in Q1 2015, mainly due to the interest expense incurred on the acquisition term loan and on the notes issued under the Company's Medium Term Notes ("MTN") Programme on 31 July 2014, which were utilised to partly finance the Anson acquisition.

Profit after tax

Q1 2015 vs Q1 2014

Profit after tax in Q1 2015 was US$2.2 million, an increase of US$1.9 million from the corresponding figure in Q1 2014 of US$0.3 million.

REVIEW OF THE FINANCIAL POSITION OF THE GROUP

Non-current assets

The decrease in non-current assets as at 31 March 2015 (US$368.6 million) of US$8.8 million from 31 December 2014 (US$377.4 million) was mainly due to the depreciation expense and foreign exchange difference in aggregate of US$8.4 million for property, plant and equipment in Indonesia and Malaysia as a result of weakening of Indonesia Rupiah and Malaysian Ringgit against US Dollar.

Current assets

Current assets decreased by US$2.1 million or 0.82% from 31 December 2014 (US$263.6 million) to 31 March 2015 (US$261.5 million), primarily attributable to:

- decrease in cash and bank balance of US$22.8 million, mainly due to payment of the third tranche consideration for the acquisition of NCE, interest paid for the MTN which is payable semi-annually in arrears and also for working capital purpose;
- decrease in trade receivables of US$16.9 million, mainly due to repayment from customers and increase in other receivables of US$13.5 million is mainly due to deposit paid for syndicated loan facility and advances given to a raw materials supplier; and
- increase in inventories of US$23.9 million, mainly due to ramped up raw material purchases in Q1 2015 as Indonesia exits from the wintering period.

Current liabilities

Current liabilities decreased by US$14.0 million or 12.7% from 31 December 2014 (US$110.9 million) to 31 March 2015 (US$96.9 million), mainly due to repayment made to trade suppliers of US$17.9 million, consideration made for the acquisition of NCE of US$7.5 million and offset by the increase in loan payables.

The breakdown of the current loan payables are as follows:

(US$ million)	**31 March 2015**	**31 December 2014**
Working capital loans	65.7	55.4
Acquisition term loan	2.5	3.1
Total	**68.2**	**58.5**

The increase in working capital loan balances of US$10.3 million was mainly due to higher utilisation as a result of the increased raw material purchases in Q1 2015. The decrease in the acquisition term loan was due to repayment made during Q1 2015.

Non-current liabilities

Non-current liabilities increased by US$15.5 million or 4.2% from 31 December 2014 (US$369.5million) to 31 March 2015 (US$385.0 million), mainly due to the increased utilisation of the syndicated loan for the increase in raw material purchases in the Anson factories during Q1 2015.

Equity

The Group's equity decreased by US$12.3 million from US$160.5 million as at 31 December 2014 to US$148.2 million as at 31 March 2015, mainly due the net profit for the period and the foreign currency translation losses arising during the period, as a result of weakening of Indonesia Rupiah and Malaysian Ringgit against US Dollar.

Working capital

As at 31 March 2015, net working capital amounted to US$132.3 million, as set out below:

(US$ million)	**31 March 2015**	**31 December 2014**
Cash and bank balances	47.1[(1)]	62.5
Trade receivables	48.1	65.0
Inventories	112.0	88.1
Less: Trade payables	(9.2)	(27.0)
Less: Working capital loans (current)	(65.7)	(55.4)
Net working capital	**132.3**	**133.2**

Note:

(1) The amount of approximately US$7.5 million, representing the remaining amount payable to the vendor for the acquisition of NCE, has been excluded from the above cash and bank balances as at 31 March 2015, to reflect the Group's net working capital position.

REVIEW OF THE CASH FLOW STATEMENT OF THE GROUP

The following table sets out a summary of cash flows for Q1 2015 and Q1 2014:

(US$ million)	**Q1 2015**	**Q1 2014**
Net cash from operating activities, before working capital changes	4.2	2.7
Changes in working capital	(30.2)	(6.4)
Net cash used in operating activities	(26.0)	(3.7)
Net cash used in investing activities	(10.5)	(31.8)
Net cash from financing activities	16.2	5.6
Net decrease in cash and cash equivalents	(20.3)	(29.9)
Cash and cash equivalents at the beginning of the period	75.8	49.7
Effect of exchange rate changes on the balance of cash held in foreign currencies	(2.0)	0.1
Cash and cash equivalents at the end of the period	**53.5**	**19.9**

Q1 2015 vs Q1 2014

The Group's cash and cash equivalents decreased by US$20.3 million during Q1 2015. We recorded net cash outflow from operating activities of US$26.0 million during Q1 2015, as the Group invested into working capital amounting to US$30.2 million in line with the increase in revenue in Q1 2015.

Cash flow from investing activities was an outflow of US$10.5 million, comprising of the payment of the third tranche consideration for the acquisition of NCE of US$7.5 million and scheduled capital expenditure of US$2.9 million (including capital expenditure of US$0.1 million for the development of our plantation).

Net cash inflow from financing activities was US$16.2 million, mainly due to the utilisation of working capital loans of US$21.7 million, offset by the payment of MTN interest of US$3.1 million and repayment of acquisition term loans and associated interest expense of US$2.8 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, namely its significant production capacity with the extended global sales and marketing reach of its distribution assets, including the previously announced acquisition of Centrotrade Rubber Group.

The price environment for natural rubber remains challenging and disconnected from fundamentals. After staging a mild recovery in the later part of 2014, the SGX-ST futures contract price returned to the lows of 2014 in mid-January 2015 and again in early April 2015. These price levels, being near to or below the cost of production for many producers are, in the Group's opinion, unsustainable. As a result, the Group has altered its terms of business with certain customers with the objective of ensuring consistent long-term global supply of natural rubber to the Group's customers and sustainable prices for raw material to suppliers and farmers.

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 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 Angsana, 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$75.00 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 for the first quarter ended 31 March 2015 (“Q1 2015”) and 31 March 2014 (“Q1 2014”)

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;
- **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 for the Financial period Ended 31 March 2015 ("Q1 2015") and 31 March 2014 ("Q1 2014")

	Plantation		Processing		Distribution		Corporate		Elimination		Consolidated	
(US$'000)	**Q1 2015**	**Q1 2014**	**Q1 2015**	**Q1 2014**	**Q1 2015**	**Q1 2014**	**Q1 2015**	**Q1 2014**	**Q1 2015**	**Q1 2014**	**Q1 2015**	**Q1 2014**
Revenue to third party	-	-	100,386	40,765	107,978	-	-	-	-	-	208,364	40,765
Inter-segment revenue	-	-	16,993	-	7,797		915	915	(25,705)	(915)	-	-
Total Revenue	**-**	**-**	**117,379**	**40,765**	**115,775**	**-**	**915**	**915**	**(25,705)**	**(915)**	**208,364**	**40,765**
Gross profit	**-**	**-**	**11,326**	**2,859**	**2,821**	**-**	**915**	**915**	**(915)**	**(915)**	**14,147**	**2,859**
Operating (loss)/profit	**(224)**	**(74)**	**5,724**	**1,301**	**293**	**-**	**763**	**424**	**2,222**	**(1,039)**	**8,778**	**612**
Finance income											185	28
Finance cost											(5,820)	(290)
Profit before taxation											**3,143**	**350**
Income tax expense											(956)	(17)
Profit for the financial period											**2,187**	**333**
Total sales volume (tonnes)	-	-	75,082	19,161	76,300	-	-	-	(17,216)	-	134,166	19,161
Gross profit per tonne (US$)	-	-	151	149	37	-	-	-	-	-	105	149
Segment Assets	43,841	43,923	585,779	140,280	85,045	-	378,573	203,091	(463,151)	(229,921)	630,087	157,374
Segment Liabilities	6,093	214	146,685	80,726	55,066	-	526,115	121,226	(252,073)	(142,271)	481,886	59,895
Other information:												
Depreciation expenses	45	16	2,227	525	32	-	17	13	-	-	2,321	554
Purchase of property, plant and equipments	286	203	2,500	3,467	42	-	12	14	-	-	2,840	3,684

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 first quarter ended 31 March 2015 to be false or misleading in any material aspect.

On behalf of the Board of Directors:

Robert Meyer Executive Chairman and CEO	Pascal Demierre Executive Director

By Order of the Board

Robert Meyer
Executive Chairman and CEO

Singapore,
15 May 2015