

# News Release



**For immediate release**

## **HALCYON AGRI REPORTS Q3 2016 ADJUSTED EBITDA OF US\$1.4M ON REVENUES OF US\$187.1M**

- Total sales volume for Q3 2016 of 131,170 tonnes; 432,983 tonnes for 9M 2016
- Lower sales volumes and ongoing compressed margins resulted in an adjusted net loss for Q3 2016 of US\$8.8m
- All components of transaction with Sinochem International completed; focus now on integration and future growth

**Singapore, 14 November 2016** Natural rubber supply chain manager Halcyon Agri Corporation Limited (“Halcyon Agri” or the “Group”) today announced its results for the third quarter and first nine months of 2016. The Group recorded a loss for both periods due to ongoing low rubber prices and reduced sales volumes.

Natural rubber price volatility eased slightly in Q3 2016 as compared to the preceding quarters in 2016, trading over a 13% range as compared to a 52% range in 1H 2016. Nonetheless, persistent low prices continued to impact margins in Q3 2016 and, together with lower volumes as a result of Halcyon Agri’s compliance with Agreed Export Tonnage Scheme (AETS), resulted in a narrow operating loss in the processing business for the quarter. The distribution business also experienced lower volumes and an operating loss, as its strategy and activities were realigned ahead of the integration of the Sinochem natural rubber distribution businesses.

Following the close of Halcyon Agri’s Voluntary General Offer for GMG Global on 11 November 2016, all the components of the merger of Sinochem’s natural rubber assets with Halcyon Agri are complete. The combined group now has plantations in Africa and Malaysia, natural rubber processing capacity of 1.5m tonnes per annum, spanning Indonesia, Thailand, Malaysia, China and Africa, and an unrivalled global distribution network. Halcyon Agri Executive Chairman and CEO Robert Meyer commented: *“We are pleased to have realised this important milestone, completing the journey we began with the announcement of the transaction in March 2016. Our focus is now on realising the strategic benefits that this merger creates and delivering value for all our stakeholders”*. Halcyon Agri will undertake a strategic review of its expanded business in Q4 2016 with a view to optimising the Group’s assets to realise synergy benefits in subsequent financial periods.

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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 32 natural rubber processing facilities in Indonesia, Thailand, Malaysia, China and Africa and produces sustainable, natural rubber under its proprietary HEVEAPRO 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 approximately 13,000 people and its aggregate natural rubber distribution capacity is approximately 2 million tonnes per annum. Halcyon Agri is a subsidiary of Sinochem International Corporation.

*This media release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this media release, including the correctness of any of the statements or opinions made or reports contained in this media release.*

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