

**NEWS RELEASE****HALCYON AGRI AGREES TO ACQUIRE ASSETS OF MALAYSIAN NATURAL RUBBER PRODUCER CHIP LAM SENG FOR MYR63 MILLION; MORE THAN DOUBLES PRODUCTION CAPACITY**

- **Acquisition establishes Halcyon Agri as a major natural rubber producer in Malaysia and Indonesia**
- **Lifts Halcyon Agri potential annual production capacity by 180,000 tonnes to over 300,000 tonnes**

**Singapore, 3 June 2013** Natural rubber producer Halcyon Agri Corporation Limited, today announced that it has agreed to acquire assets of Malaysian natural rubber producer Chip Lam Seng group for MYR63 million.

The purchase of entire share capital of CLS Sdn. Bhd. establishes Halcyon Agri as a major producer of natural rubber in Indonesia and Malaysia. Chip Lam Seng group operates two natural rubber factories in Ipoh, Malaysia, with a combined annual production capacity of 180,000 tonnes. Built in 2004 and 2008, the factories are capable of producing numerous grades of rubber including SMR20, SMR10, SMR20CV, SMR10CV, compound and latex grades.

Robert Meyer, Executive Chairman and CEO of Halcyon Agri, said “Malaysia has a long and proud history in natural rubber and we are delighted to establish Halcyon Agri as a major producer of Malaysian-origin rubber. The Chip Lam Seng factories are ideally located and are well designed and modern. We look forward to revitalising their operations and realising their full potential.”

The acquisition of the Chip Lam Seng assets represents a major milestone in Halcyon Agri's expansion strategy. Since its IPO in early 2013, the Company has added 10,500 tonnes of capacity through the commissioning of an additional wet-line at its HMK2 factory in Palembang and is progressing well towards the 50,000 tonne expansion of its HMK1 and HMK2 factories. The 180,000 tonnes of capacity brought in by the Chip Lam Seng factories will provide scope for production growth over many years to come, lifting total capacity to more than 300,000 tonnes.

Mr Meyer added: "We see significant scope to realise value for Halcyon Agri shareholders from this acquisition with the application of our expertise in raw material sourcing, increasing the production of higher grades of rubber, applying Halcyon Agri's business model to secure resilient margins and leveraging on our sales and marketing expertise to reach our targeted top tier customers.

Furthermore, we view the Chip Lam Seng acquisition as an ideal platform from which to explore Malaysian investments."

The acquisition of the Chip Lam Seng assets will be financed through internal resources, bank borrowings and/or fund raising exercise(s), and is expected to complete in the fourth quarter of 2013.

Note: This press release is to be read in conjunction with the related mandatory announcement filed by Halcyon Agri Corporation Limited on SGXNET.

### **About Halcyon Agri**

Halcyon Agri operates in the midstream of the natural rubber supply chain, specialising in the processing and merchandising of natural rubber. Headquartered in Singapore, where its risk management and merchandising operations are located, the Group owns and operates two rubber processing facilities, HMK1 and HMK2, in Palembang, Indonesia, with a total gazetted production capacity of 110,000 tonnes per annum. Halcyon Agri's products, namely SIR20, SIR20-VK & SIR20-Compound, are exported to

a global customer base, including a substantial number of the top 20 international tyre manufacturers.

The Company was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 1 February 2013. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor").

This media release has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this media release.

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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