HALCYON AGRI

For Immediate Release

NEWS RELEASE

HALCYON AGRI REPORTS H1 2013 NET PROFIT OF US$4.2 MILLION ON SALES VOLUME OF 36,459 TONNES; SECURES CONTRACTS TO TAKE FULL YEAR 2013 VOLUME OVER 80,000 TONNES

- *Solid operating performance proves robustness of business model*
- *Significant investments made in laying foundations for growth*
- *Expansion initiatives on track to take future production capacity over 300,000 tonnes*

Singapore, 14 August 2013 – Natural rubber producer Halcyon Agri Corporation Limited today announced net profit of US$4.2 million for the first half ended 30 June 2013 (H1 2013) on revenues of US$104.1 million.

The Group's sales volumes for H1 2013 increased 10% over H1 2012 to 36,459 tonnes; while revenues were lower, reflecting the lower market price for natural rubber in the period. The Group also secured contracts for offtake of a minimum of 43,960 tonnes in H2 2013, bringing total contracted volume to 80,419 tonnes for the financial year ending 31 December 2013, an increase of 20% over FY2012 sales volumes or 29% if customer options of 5,776 tonnes are exercised.

The Group's gross profit decreased by US$0.5 million or 5.7% from US$10.0 million in H1 2012 to US$9.5 million in H1 2013 as a result of the constrained supply of raw materials due to unseasonal rains and flooding. Gross material profit per tonne for the period was US$395 which, although lower than H1 2012, was consistent with the average margin of US$391 achieved throughout FY2012.

Halcyon Agri's Executive Chairman and CEO Robert Meyer said: "We are pleased to have grown our sales volumes, and achieved consistent margins, in spite of challenging operating conditions in the period. The solid performance serves as testament to the robustness of our business model."

Administrative expenses increased by US$1.6 million (which includes US$0.4 million of non-recurring expenses) in the period compared to H1 2012 as Halcyon Agri laid the foundations for its future growth by investing in its leadership team and business processes to support the larger scale business expected as expansion initiatives complete.

The Group made significant progress during H1 2013 in expanding its facilities in Indonesia, with the construction of new raw material storage facilities, wet processing lines, drying sheds and water treatment plants well underway and on track for completion in the second half of 2014. It also announced the acquisition of assets of Malaysian Natural Rubber Producer Chip Lam Seng, a major strategic move providing scale and diversification of raw material sourcing. Once completed, these initiatives are expected to lift Halcyon Agri's production capacity to be in excess of 300,000 tonnes per annum.

Mr Robert Meyer added: "We are well on our way to establishing Halcyon Agri as a leading global natural rubber producer and we look forward to realising the benefits of our investments in building a sustainable scale business."

-End-

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 Corporation Limited and its subsidiaries (the "Group") operate 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. The Group's products, namely SIR20, SIR20-VK and SIR20-Compound, are exported to a global customer base, including many 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.

The contact person for the Sponsor is Mr Mark Liew, Managing Director, Corporate Finance, at 20 Cecil Street, #21-02 Equity Plaza, Singapore 049705, telephone (65) 6229 8088.

For media and analyst queries, please contact:

Catherine Ong Associates Pte Ltd

Catherine Ong
DID: (65) 6327 6088
Mobile: (65) 9697 0007
Email: cath@catherineong.com

Ronald Chong
DID: (65) 6222 1680
Mobile: (65) 9172 1180
Email: ronald@catherineong.com