

HALCYON AGRI CORPORATION LIMITED

Company Registration No. 200504595D
(Incorporated in the Republic of Singapore)

PROPOSED ACQUISITION OF ASSETS (AS DEFINED HEREIN) VIA THE ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF JFL AGRO PTE. LTD.

The Board of Directors (the “**Board**”) of Halcyon Agri Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 9 September 2013, entered into a term sheet (the “**Term Sheet**”) with Forlenza Investments Limited, Jewel Castle Limited and Laveyne Limited (collectively the “**Vendors**”) for the acquisition (the “**Proposed Acquisition**”) of the entire issued and paid-up share capital JFL Agro. Pte. Ltd (the “**Target Company**”), including its wholly owned subsidiaries, JFL Holdings Sdn. Bhd., JFL Agro Sdn. Bhd. and JFL Rubber Sdn. Bhd. (together with the Target, the “**Target Group**”).

The Target Group’s principal asset is a 99 year leasehold commencing 1 December 2011 of over 24,327.3 acres of Sultanate land in the state of Kelantan, Malaysia (the “**Concession**”), as well as related property, plant, vehicles, equipment, and machinery (the “**Assets**”). The purchase consideration for the Proposed Acquisition is estimated to be Ringgit Malaysia One Hundred Thirty Million Nine Hundred Seventy-Four Thousand and Eight Hundred only (RM130,974,800). The purchase consideration was arrived at after arm’s length negotiations on a “willing seller – willing buyer” basis, after taking into consideration, *inter alia*, the estimated cultivable acreage of 16,061.9 acres and non-cultivable acreage of 8,265.4 acres of the Concession. The Proposed Acquisition is subject to the finalisation of detailed terms, due diligence, independent land surveys and the execution of definitive agreements. The purchase consideration may be adjusted based upon the land survey determination of cultivable land within the Concession.

Following completion of the Proposed Acquisition, the Company intends to develop a natural rubber plantation on the cultivable land within the Concession.

The Proposed Acquisition represents a major strategic advancement of the Company’s business into the upstream segment of the Malaysian natural rubber supply chain. The development of the Concession into a natural rubber plantation will be in line with the Company’s commitment to sustainability. Halcyon Rubber Estates Sdn. Bhd. will manage the estate and implement best-practice planting and tapping techniques. Existing plantation assets on the Concession, including approximately 740 acres of oil palm, will be utilised as a source of cash flow to assist in funding planting costs.

The investment in upstream natural rubber in Malaysia is complementary to the Company’s recently announced expansion into Malaysia through the proposed acquisition of the rubber processing assets of Chip Lam Seng Sdn. Bhd. (“**CLS**”). Once the rubber plantation fully matured, it will provide up to 10% of the required raw material for the CLS factories, enabling the Company to capture both the upstream planting margin as well as additional processing margin by producing ultra-premium/speciality grades of rubber by having full custody of the raw material supply chain.

The Company and the Vendors shall exercise their best endeavours to negotiate, finalise and execute definitive agreements and complete the Proposed Acquisition by 31 December 2013 (or such date as the Company and Vendors may both agree in writing), failing which the Term Sheet will terminate.

The Proposed Acquisition will be funded through a combination of internal resources, bank borrowings and additional equity fund raising exercise(s).

Dato' Lynette Le Mercier, a controlling shareholder of the Company, has an indirect interest representing 24.5% shareholding of the total issued and paid-up share capital of the Target Company. The Proposed Acquisition, if proceeded with, will constitute an interested person transaction for the purposes of Chapter 9 of the Singapore Exchange Trading Securities Limited Listing Manual Section B: Rules of Catalist. As at the date hereof, save for the aforementioned, none of the other Directors and to the best of the Directors' knowledge, none of the controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Acquisition, other than arising from their respective shareholdings in the Company, if any.

The Company will make further announcements as and when definite agreements have been entered into for the Proposed Acquisition.

Shareholders of the Company and potential investors should exercise caution when trading in the shares of the Company, and when in doubt as to the action they should take, they should consult their financial, tax or other advisors.

By Order of the Board

Robert Meyer
Executive Chairman and CEO
9 September 2013

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 announcement 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 announcement.

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

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