

MEDIA RELEASE

For Immediate Release

**HALCYON AGRI TO EXPAND TO RIAU ISLANDS
WITH BINTAN ACQUISITION**

- *Strategic acquisition further expands Halcyon Agri's presence in Indonesia*
- *Cost competitiveness will be further strengthened due to trade benefits*

Singapore, 11 December 2017 - Halcyon Agri Corporation Limited ("Halcyon Agri" and collectively with its subsidiaries, the "Group"), one of the world's largest natural rubber supply chain managers, has entered into an agreement to acquire an 80% stake in PT Pulau Bintan Djaya ("PBD"), which owns a natural rubber processing factory located in Bintan Timur, Indonesia together with all associated land, buildings, plant and machinery.

Robert Meyer, Executive Director and Chief Executive Officer of Halcyon Agri, said, "This acquisition marks our entry into the Riau Islands, and is aligned with our strategy to establish a strong foothold in Indonesia. Halcyon Agri has established a strong presence in Indonesia, and we are confident that the expansion will place us in a better position to derive greater economies of scale going forward."

The acquisition will allow Halcyon Agri to add a further 60,000 metric tonnes to its aggregate annual licensed capacity and broadens its Indonesian factory base, which currently includes the Palembang, Kalimantan and Jambi areas.

More significantly, given its unique location within a bonded warehouse, PBD is the only factory in Indonesia that is allowed to import raw materials without being subjected to import duties and associated taxes. Leveraging this trade benefit, Halcyon Agri will be able to provide PBD with raw materials from other countries such as Ivory Coast, at very competitive prices. This will in turn place PBD in an advantageous operating position relative to other operators in the region, and thereby strengthen its cost competitiveness.

The acquisition will be funded by existing internal resources, and is expected to be completed by 31 March 2018.

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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 33 natural rubber processing factories 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 more than 15,000 employees, and its aggregate natural rubber distribution capacity is approximately 2 million metric tonnes per annum.

About PT Pulau Bintan Djaya

PBD is an Indonesian limited liability company founded in 1967 and is in the business of producing Standard Indonesian Rubber (SIR), offering compound rubber, SIR 10, SIR 20 and SIR VK. The net asset value represented by 80% of PBD's shares as at 31 December 2016 is approximately US\$0.6 million.

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