HALCYON AGRI

Acquisition of Anson Company (Private) Limited

Investor presentation

11 July 2014

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Agenda

1 Key facts

Key facts

Halcyon Agri has signed definitive agreements to **acquire Anson Company** (Private) Limited ("Anson") for aggregate purchase consideration of **S$450m**

Anson, part of the **Lee Rubber Group**, owns and operates 9 crumb rubber factories in Indonesia with a total licensed export capacity of **408,000** metric tonnes per annum

Transformational acquisition propels Halcyon Agri to be one of the **top 5** Technical Specified Rubber (TSR) producers in the world

Acquisition to be financed through a combination of internal resources, debt and co-investment by Angsana Capital Ltd

Transaction subject to approval of Halcyon Agri's shareholders at a meeting to be held in early August

2 Strategic rationale

High quality assets with a long operating track record

Operations first commenced in 1932 in Palembang

Modern, well maintained factories with high quality products and competitive production cost

Strong operational management

Established raw material supplies

Fully certified to produce various grades of Standard Indonesia Rubber (SIR)

Extensive customer approvals

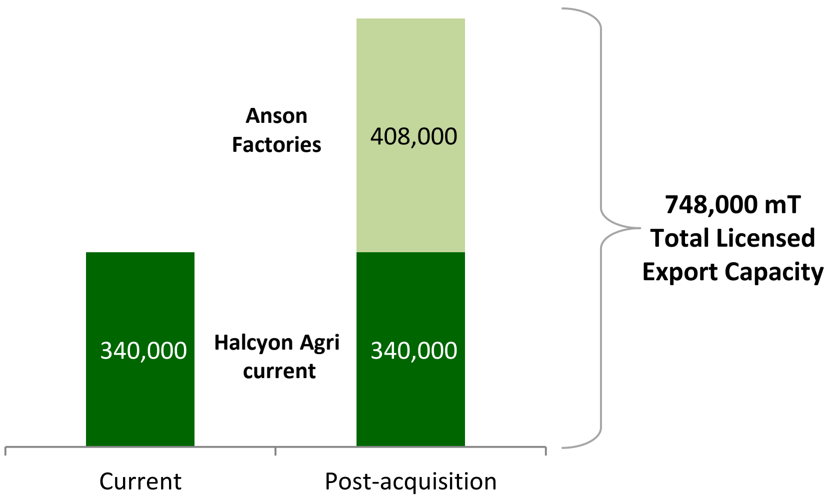
Straightforward integration

Immediate financial contribution

Anson factories produced in excess of 300,000 tonnes of natural rubber in 2013

Significantly enhances Halcyon Agri's scale and market presence

Doubling of licensed export capacity



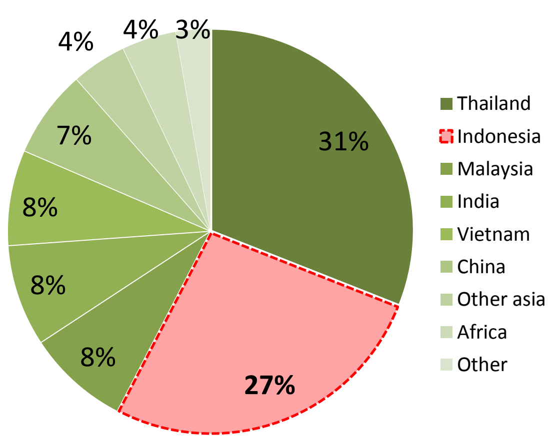
Top 5 TSR producer globally

TSR Producer	Official capacity mT/annum
Sri Trang	872,827
Halcyon Agri	748,000
Kirana	720,000
VonBundit	492,000
GMG	482,000

Source: Respective companies' website, annual reports and investor presentations

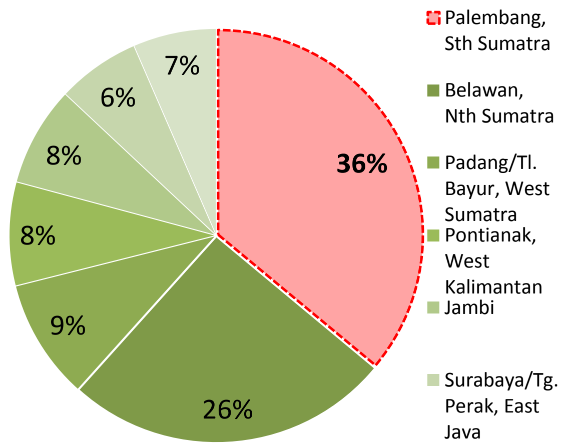
Leading market position

World natural rubber production by country



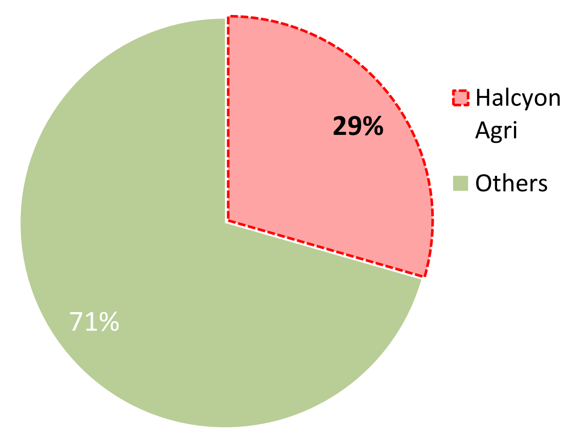
Source: IRSG 2012 natural rubber production

Indonesia rubber exports by port



Source: GAPKINDO 2012

Halcyon Agri share of Palembang exports



Source: GAPKINDO 2012, Anson, Halcyon Agri

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Synergies through leveraging Halcyon Agri's scalable business infrastructure

Halcyon Agri business model

Assets

- Plantations
- Existing factories
- Anson factories

"Hardware"

Operating strategies

- Core business model
- Risk management
- Merchandising
- Technical operations, quality control
- Corporate & Social Responsibility

Scalable business infrastructure

Results

- Doubling of production capacity
- Hevea Global undertakes risk management and merchandising operations for a larger volume
- Minor increase in Halcyon Agri business infrastructure
- High quality products for customers
- Attractive returns for shareholders

Performance

Expansion & diversification of customer base

Anson's customer approvals by site

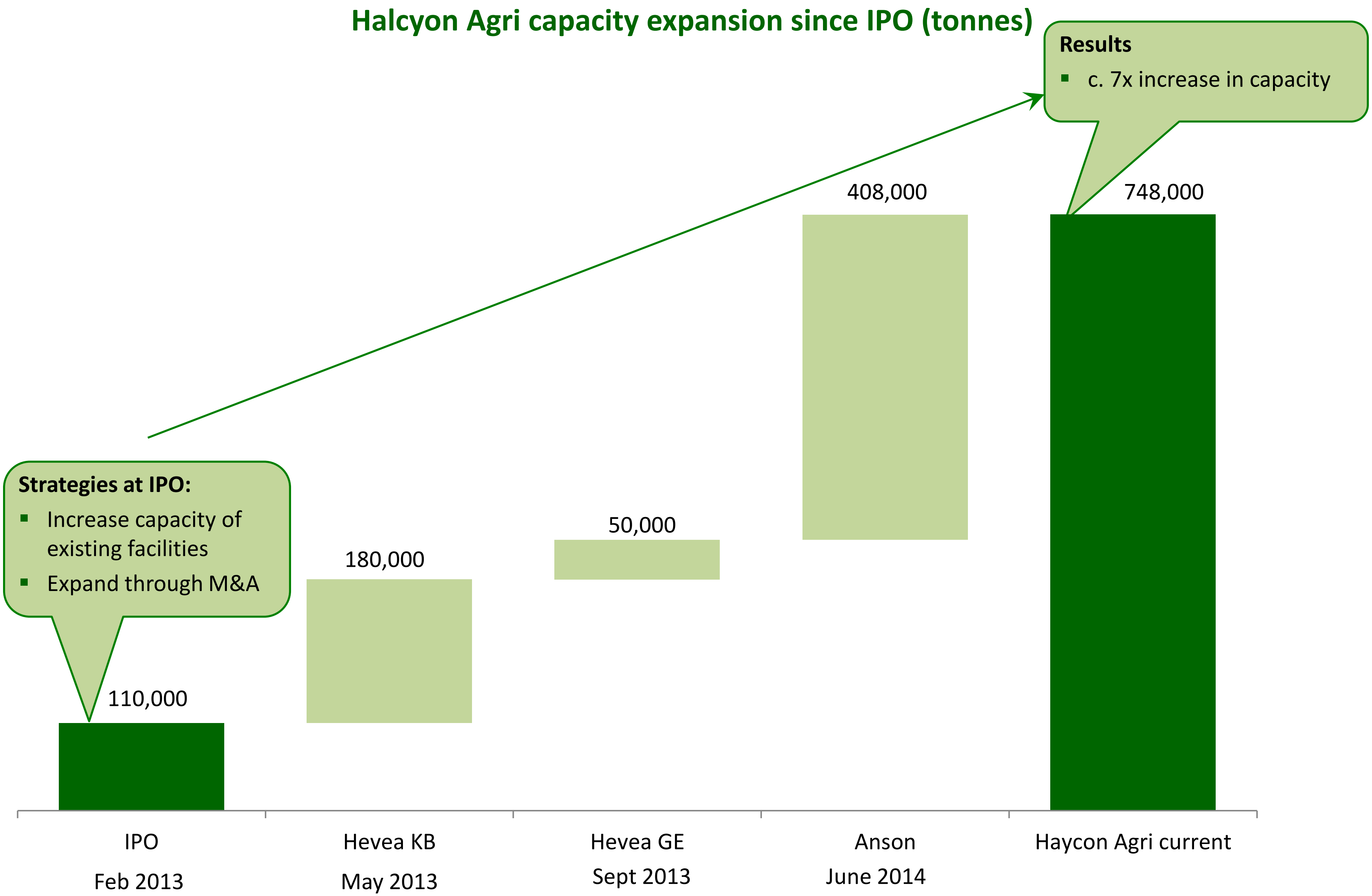
Factory	Location	Customer Approvals
PT Hok Tong I Palembang	Palembang, South Sumatra	10
PT Hok Tong II Palembang	Palembang, South Sumatra	3
PT Remco Palembang	Palembang, South Sumatra	6
PT Sunan Rubber Palembang	Palembang, South Sumatra	9
PT Remco Jambi	Jambi	7
PT Hok Tong Jambi	Jambi	7
PT Hok Tong Pontianak	Pontianak, West Kalimantan	8
PT Rubber Hock Lie Sunggal	Medan, North Sumatra	4
PT Rubber Hock Lie Rantau Prapat	Medan, North Sumatra	6

Note: Customer approvals based upon information provided to Halcyon Agri by factory management

Example of Halcyon Agri's customers post acquisition

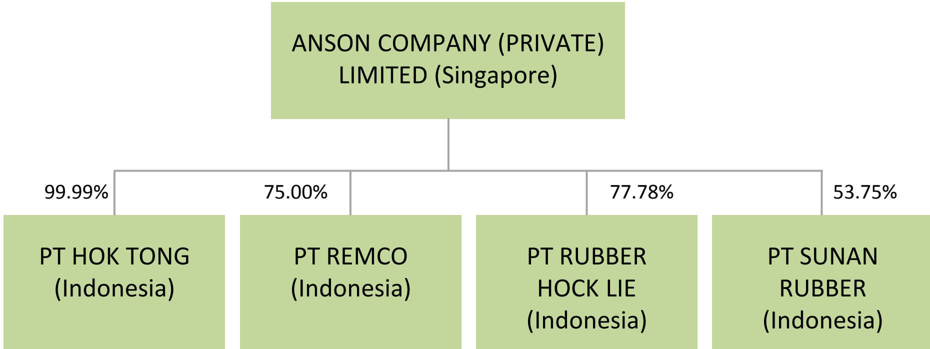
- BRIDGESTONE
- MICHELIN
- GOODYEAR
- Hankook driving emotion
- Continental
- SUMITOMO TIRE
- COOPERTIRES
- KUMHO TYRE
- 中策橡胶 zc rubber
- TOYO TIRES
- YOKOHAMA
- Giti
- LINGLONG TYRE
- apollo
- nokian TYRES
- NEXEN NEXEN TIRE CORP

Consistent with Halcyon Agri's expansion strategy



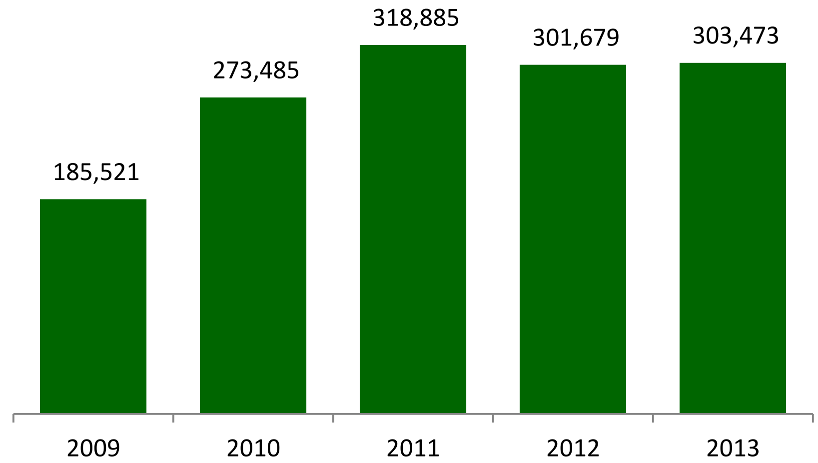
3 Acquisition details

Corporate structure



Note: Ownership interests are aggregate of direct and indirect interests

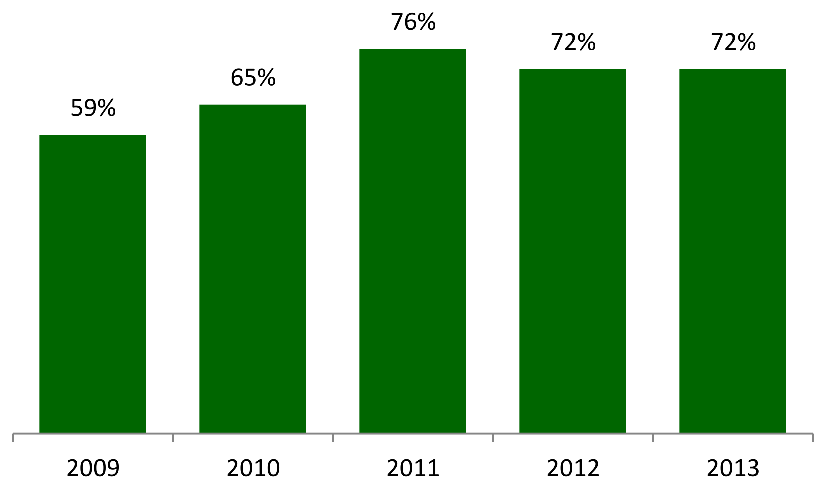
Total sales for 9 factories (mT)



Operating assets

Factory	Licensed Export Capacity	Anson Effective interest
PT Hok Tong I Palembang	65,000	99.99%
PT Hok Tong II Palembang	100,000	99.99%
PT Remco Palembang	50,000	75.00%
PT Sunan Rubber Palembang	60,000	53.75%
PT Remco Jambi	36,000	75.00%
PT Hok Tong Jambi	25,000	99.99%
PT Hok Tong Pontianak	28,000	99.99%
PT Rubber Hock Lie Sunggal	19,000	77.78%
PT Rubber Hock Lie Rantau Prapat	25,000	77.78%
Total	408,000	

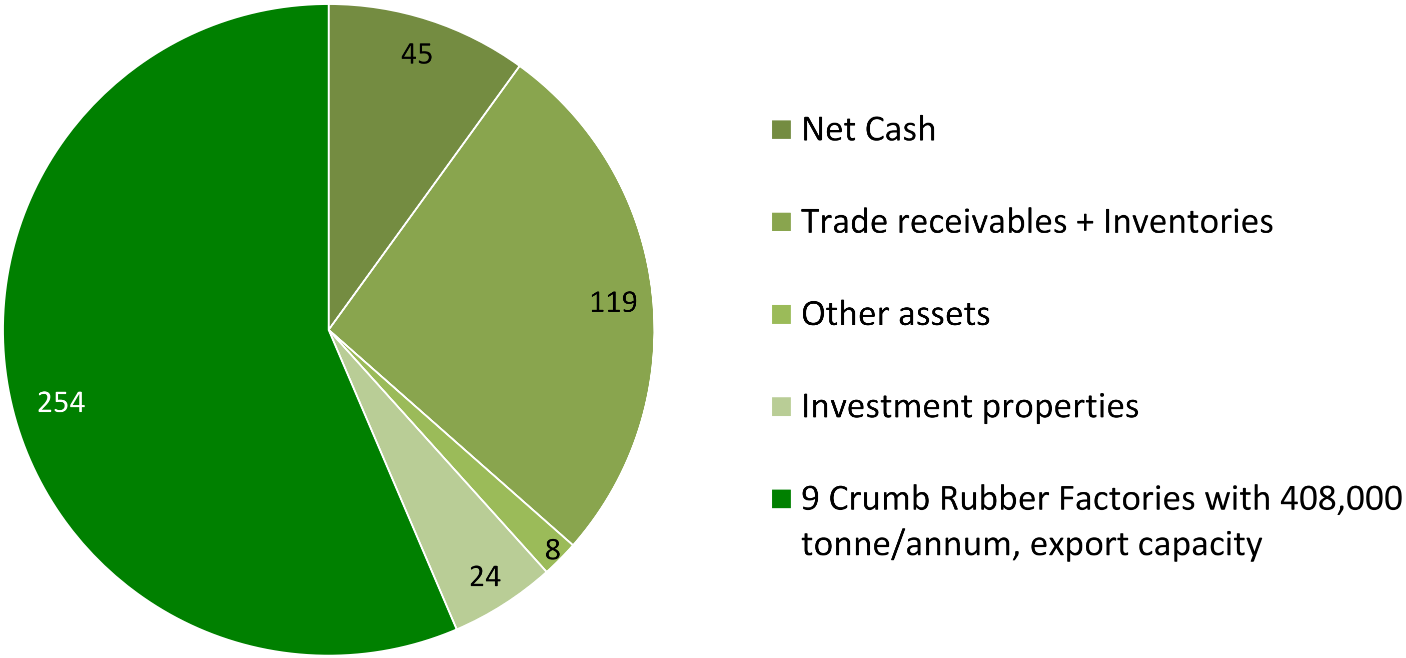
Implied capacity utilisation



Assets being acquired

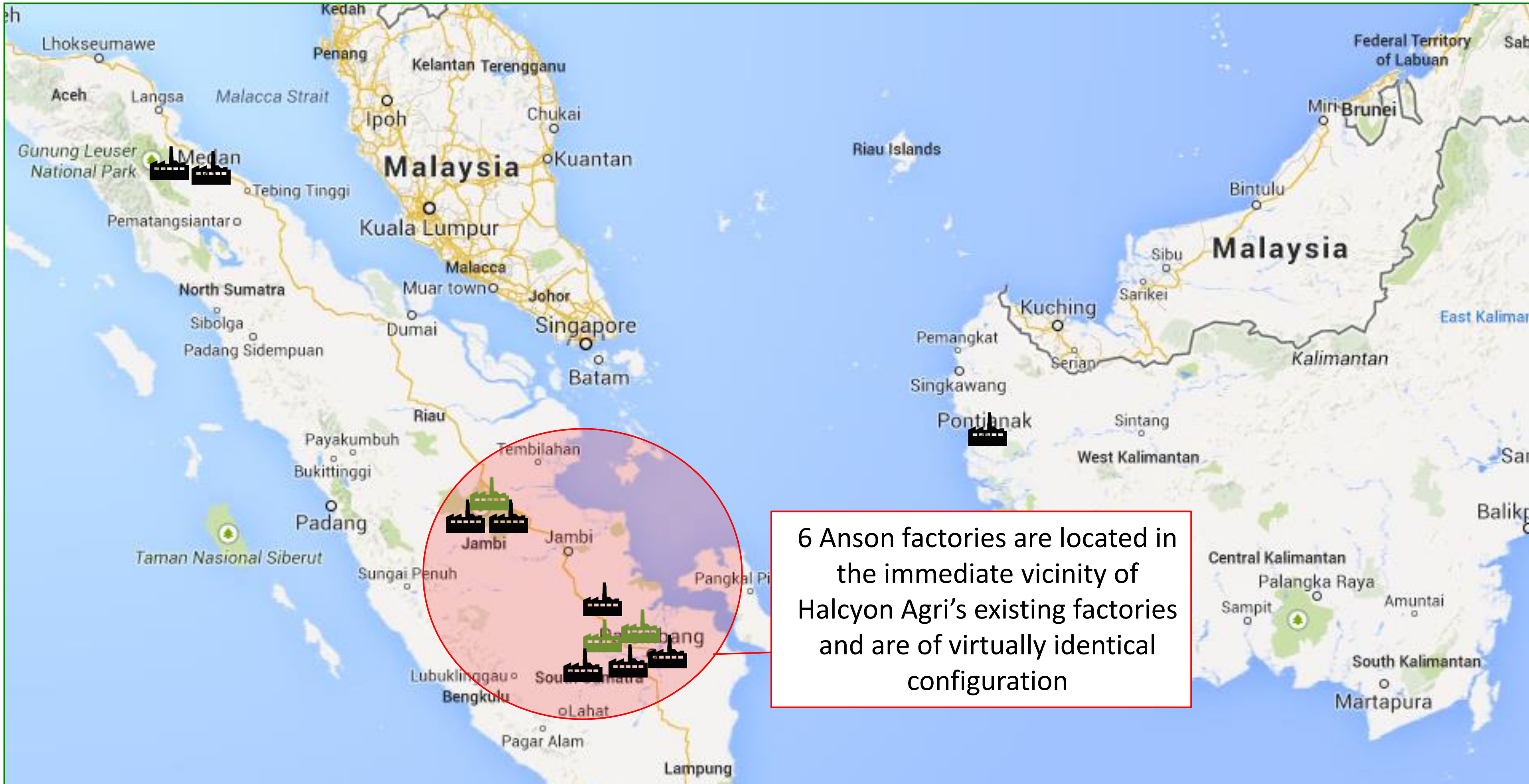
Break down of assets being acquired (S$m)

Total S$450m



Note: Amounts based upon Anson's 31 December 2013 Balance Sheet and asset valuation reports. Breakdown is presented for illustrative purposes. Final amounts and purchase price allocation will be subject to determination upon closing of the transaction.

Anson factory locations



Anson factories Halcyon Agri Indonesian factories

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Factories: PT Hok Tong I Palembang

Key facts

Factory	PT Hok Tong I
Location	Palembang, South Sumatra, Indonesia
Capacity	65,000 mT per annum
Products	SIR-20

Factories: PT Hok Tong II Palembang

Key facts

Factory	PT Hok Tong II
Location	Palembang, South Sumatra, Indonesia
Capacity	100,000 mT per annum
Products	SIR-20

Factories: PT Remco Palembang

Key facts

Factory	PT Remco Palembang
Location	Palembang, South Sumatra, Indonesia
Capacity	50,000 mT per annum
Products	SIR-20

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Factories: PT Sunan Rubber Palembang

Key facts

Factory	PT Sunan Rubber
Location	Palembang, South Sumatra, Indonesia
Capacity	60,000 mT per annum
Products	SIR-20

Key facts

Factory	PT Remco Jambi
Location	Jambi, Central Sumatra, Indonesia
Capacity	36,000 mT per annum
Products	SIR-20

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Factories: PT Hok Tong Jambi

Key facts

Factory	PT Hok Tong Jambi
Location	Jambi, Central Sumatra, Indonesia
Capacity	25,000 mT per annum
Products	SIR-20

Factories: PT Hok Tong Pontianak

Key facts

Factory	PT Hok Tong Pontianak
Location	Pontianak, West Kalimantan, Indonesia
Capacity	28,000 mT per annum
Products	SIR-20

Factories: PT Rubber Hok Lie Sunggal

Key facts

Factory	PT Rubber Hock Lie Sunggal
Location	Medan, North Sumatra, Indonesia
Capacity	19,000 mT per annum
Products	SIR-20

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Factories: PT Rubber Hok Lie Rantau Prapat

Key facts

Factory	PT Rubber Hock Lie Rantau Prapat
Location	Rantau Prapat, North Sumatra, Indonesia
Capacity	25,000 mT per annum
Products	SIR-20

Anson financial profile

Historical profit & loss

S$millions	2011	2012	2013
Revenue	1,924.4	1,239.3	963.2
Gross material profit	129.9	61.4	62.2
EBITDA	107.5	38.2	41.7
Net income after tax	74.0	29.9	29.1
Sales volume (tonnes)	328,888	301,769	303,472
Average revenue per tonne (S$)	5,851	4,107	3,174
GMP per tonne (S$)	395	204	205
EBITDA per tonne (S$)	327	127	137
Net income per tonne (S$)	225	99	96
Average exchange rate USD-SGD	1.26	1.27	1.27
Average revenue per tonne (US$)	4,647	3,257	2,496
GMP per tonne (US$)	314	161	161

Note: Excludes gain/loss on disposal of fixed assets, inventories written off due to fire incident in 2013 and insurance claim receivable

Results exclude margin retained in captive marketing/trading company outside of Anson companies being acquired

Balance sheet

S$millions	31-Dec-13
Cash and cash equivalents	93.5
Other Assets	134.3
PPE	22.5
Total Assets	**250.3**
Borrowings	48.6
Other Liabilities	7.9
Total Liabilities	**56.4**
Net Assets	**193.8**
Shareholders' equity	165.2
Minority interests	28.7
Total equity	**193.8***

* Excludes fair value uplift on properties

Note: Does not total due to rounding

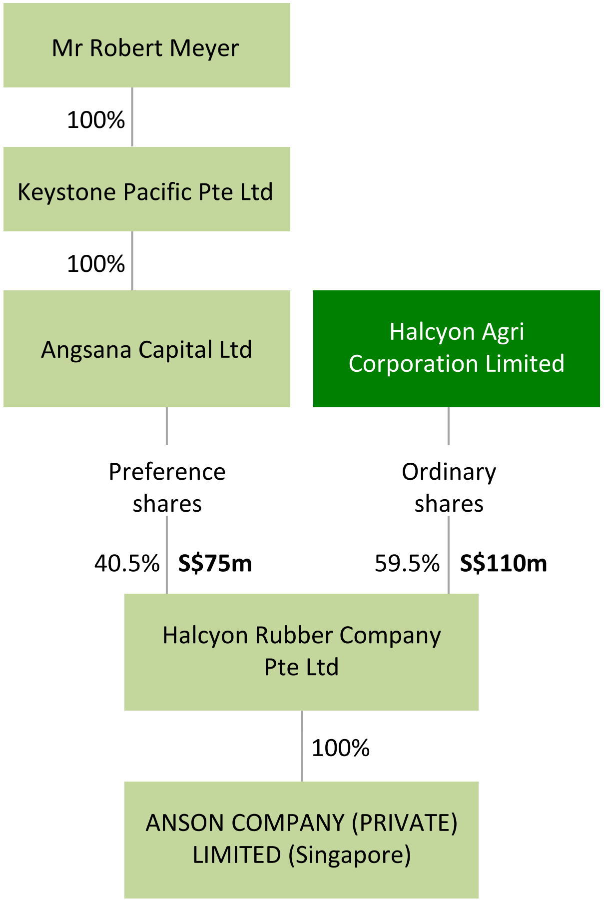
Financing for the acquisition

Financing sources

- Acquisition financing a combination of co-investment, internal resources and debt financing

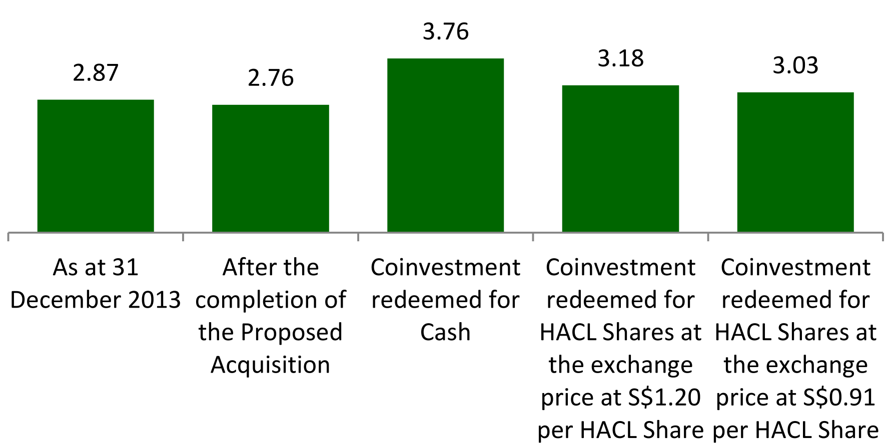
Co-investment structure

- Halcyon Rubber Company (HRC) will acquire 100% of Anson Rubber Company from its existing shareholders for consideration of S$450m
- HRC financed through combination of debt and equity contributions
- Equity contributions from Halcyon Agri and co-investment from Angsana Capital
- Angsana's preference shares are redeemable by Halcyon Agri

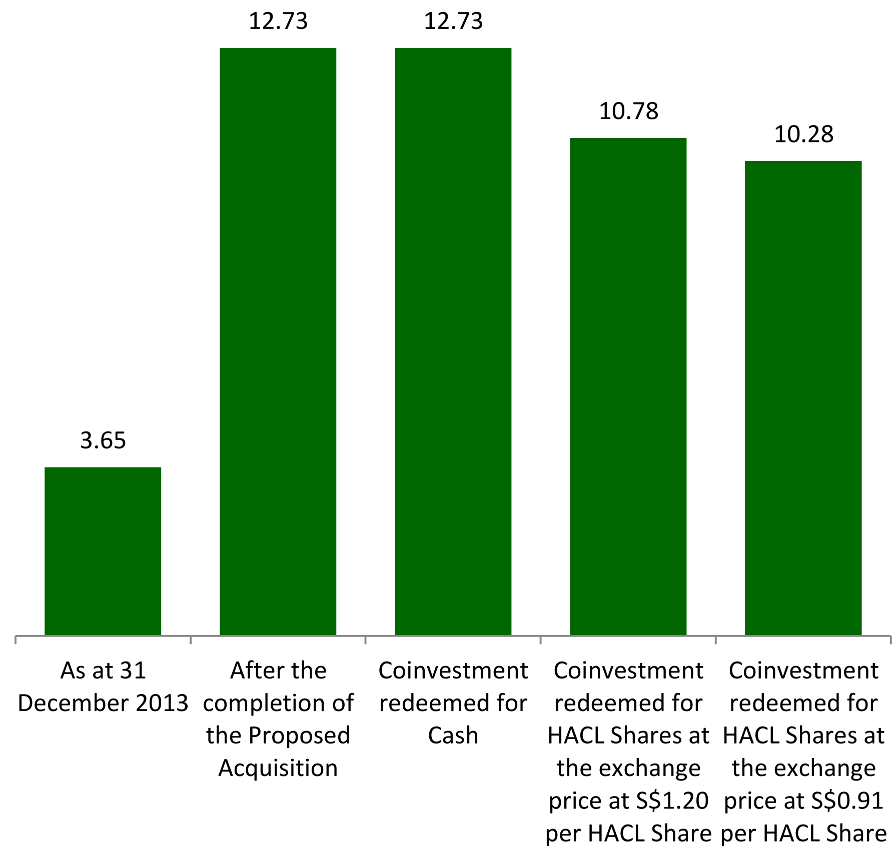


Financial effects

Pro forma 2013 EPS impact (S$cents)



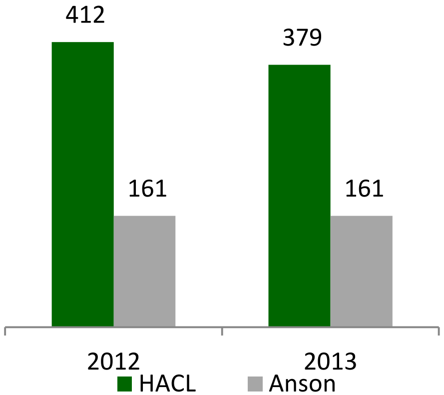
Pro forma 2013 EBITDA per share impact (S$cents)



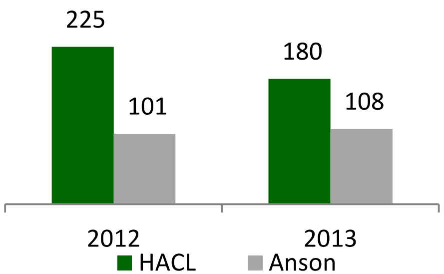
Results exclude margin retained in captive marketing/trading company outside of Anson companies being acquired

Illustrative affect of full margin capture

Comparative GMP/mT (US$)



Comparative EBITDA/mT (US$)

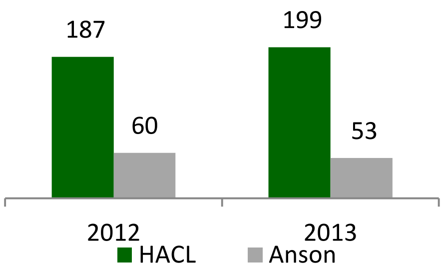


Halcyon Agri GMP/mT on average US$235/mT higher than Anson representing full capture of sales & marketing margin in Halcyon Agri

Halcyon Agri EBITDA/mT on average US$98/mT higher than Anson reflecting higher margin, reduced by higher operating expenses due to less scale

Additional EBITDA potential up to US$29m based upon Anson 2013 sales of 303,472 mT

Comparative Opex/mT (US$)



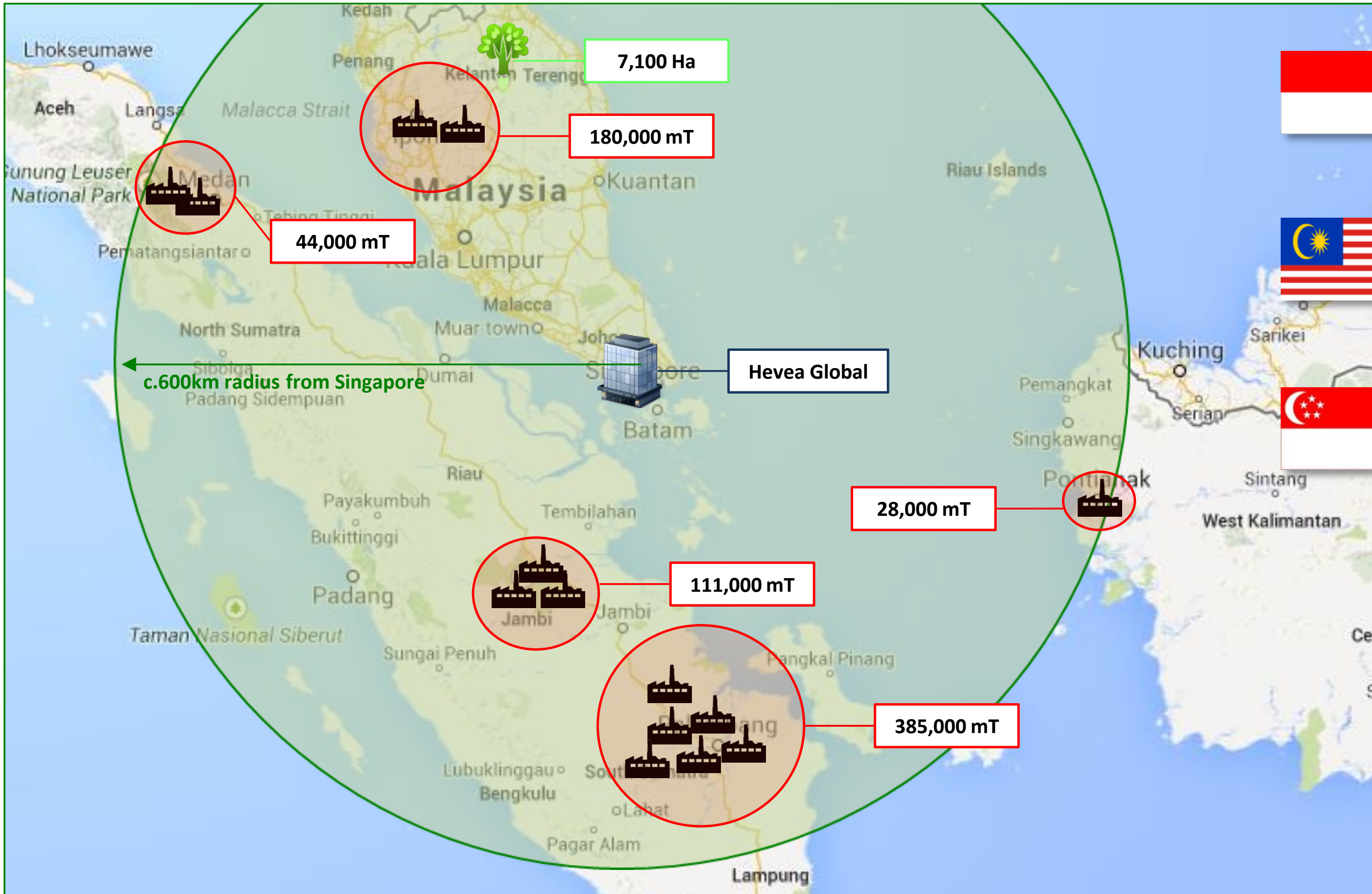
Anson operating expenses on average US$136/mT lower than Halcyon Agri reflecting highly efficient operations and significantly greater scale

Additional EBITDA potential up to US$10m based upon Halcyon 2013 sales of 79,108 mT

Note: numbers are illustrative only based upon historical performance. Actual future performance will be affected by a range of factors including prevailing market conditions

4 Profile of Halcyon Agri post acquisition

13 factories with combined annual licensed capacity of 748,000 tonnes



- 568,000 mT capacity

- 180,000 mT capacity
- 7,100 Ha cultivable land

- Global Sales & Marketing
- Risk Management
- Corporate HQ

Integration

Aspects of Anson Business	Acquisition integration
Senior Corporate Management	Role to be undertaken by Halcyon Agri's senior management
Sales & Marketing, Risk Management	Currently conducted via Lee Rubber company outside of Anson. Role to be fulfilled by Hevea Global
Operational management (c.125 people)	Anson operational (factory) management to be retained by Halcyon Agri
General factory workforce (c.2,979 people)	To be retained by Halcyon Agri

Acquisition effectively "bolts-on" operating assets to Halcyon Agri's business infrastructure

Profile of Halcyon Agri post-acquisition

Financial metric	Impact of acquisition	Future
Sales volume (mT)	c.300,000 mT increase	Target to produce close to optimum capacity
Gross Material Profit per mT	Anson factories merchandising to be shifted from a Lee Rubber group company to Hevea Global	Target to have common margin across group through alignment of product offerings and centralization of Sales, Marketing & Risk Management through Hevea Global
Admin expenses	Significant economies of scale Expected to increase by marginally to accommodate Anson Average per mT cost significantly lower	Future organic growth in production and sales volume expected to be accommodated on existing (expanded) business infrastructure
Finance costs	Increased by approximately US$16m for acquisition financing	Finance costs to come down over time as debts repaid/refinanced & CMA based working capital put in place
Net income	Slightly reduced in initial years due to financing & integration costs	Increase due to substantial volume increase, full margin capture and economies of scale

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